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BACON MARKET IN THE UNITED KINGDOM

By W. B. GORNALL, *Acting Animal Products Trade Commissioner at London*

In 1944 Canada exported to the United Kingdom over 674 million pounds, or 6,020,000 hundredweights (of 112 pounds) of bacon—a quantity almost three times the highest figure previously recorded (2,094,000 hundredweights in 1919) and five times the average of the three-year period immediately preceding the war of 1939-1945.

Denmark, which has been the principal supplier of bacon to the United Kingdom, except in war years, equalled or surpassed the Canadian 1944 figure on three occasions only, in 1930, 1931 and 1932.

Thus, as a producer and exporter of bacon, Canada has built up an industry equal to that in Denmark and achieved the highly important position, during the war years, of being the main prop in the United Kingdom's bacon supply. With the war over, the future of this Canadian industry in relation to its principal market provides a problem of the first magnitude, and one to which considerable attention is undoubtedly being given.

Position During Period 1914-1938

During the war of 1914-1918 Canada also developed her bacon industry to meet the needs of the United Kingdom. From pre-war exports ranging from 250 to 450 thousand hundredweights annually, supplies were materially increased to reach slightly over two million hundredweights in 1919. From then on, however, export shipments declined progressively until by 1931 Canadian bacon had almost vanished from the British market.

In contrast, Danish bacon, which had disappeared from the market during the latter part of the first world war and immediately thereafter, returned in 1920 with giant strides,

quickly passed the level of Canadian receipts in 1921, and developed rapidly to reach the peak at over seven million hundredweights in 1931-1932, by which time Canadian shipments had dropped below 50,000 hundredweights. Imports from Canada began to increase somewhat in 1932 and continued to improve slowly until the outbreak of war in 1939, after which they rose sharply to a very high level, while supplies from Denmark again vanished.

Supply Situation 1939-1945

At the end of the second world war the supply situation is developing along somewhat parallel lines to that prevailing after the close of the first world war. Denmark is returning to the market and shipments from Canada are showing a serious and sharp decline from the high wartime level.

This decline in Canadian supplies, which began in the middle of 1944 and which has continued progressively, suggests that Canada may be unable to maintain economical hog production at the wartime peak level. The extent to which this decline should be permitted to continue, and the levels at which hog production and bacon exports should be stabilized, are matters of first importance.

During the war years 1939-1945, Canadian bacon had widespread distribution throughout the United Kingdom, and it became known to the trade in a manner never before accomplished, or thought possible of accomplishment. This is a factor of great value to post-war trade development and may be capitalized upon to advantage, providing supplies of the required quality are made available at a level sufficient to afford adequate coverage of the market.

Wartime Marketing

It should not be overlooked that the war has brought about many changes and new ideas in merchandising foodstuffs, and in any study relative to the postwar market these wartime developments should be borne in mind since they may have a direct and far-reaching effect on future trade.

In 1936 the British Government viewed the political uncertainties and unrest in Europe with many misgivings, and, sensing the possibility of eventual renewal of the world war, took initial precautionary measures by setting up a Food Defence Committee.

With experience of a world war still fresh in memory, it was anticipated that Great Britain would be besieged by air as well as by sea, resulting in food supplies from Europe being eliminated, and food ships from further afield being subject to attack by raiding warship and marauding submarine and to damage and destruction in port by air raid before cargoes could be discharged and distributed to storage.

Such were the possibilities foreseen under war conditions, and the Food Defence Committee was instructed to prepare a plan for the purchase and control of imported foodstuffs, which could go into operation in the event of war breaking out. The plan was prepared in secret, men were named for the key positions, and on September 3, 1939, the plan went into operation as the Ministry of Food. At first the activities of the Ministry were of a modest character, but organized as a trading concern its functions expanded rapidly and within a short time it assumed full responsibility as the sole importer and purchaser of foodstuffs, restricting all private importers to the function of primary distributors on behalf of the Ministry.

This form of wartime marketing continues to operate now that hostilities have ceased and may extend into the postwar period for such time as is found necessary or expedient.

Development of Bacon Marketing

As an article of food, bacon has its origin in the far distant past. In the

early 17th century pamphlets extolled its virtues as a food product, and one of the more important bacon-curing firms in the United Kingdom has been in operation for well over 100 years. Bacon such as is known to-day may, perhaps, have changed little in appearance over the years, but great strides have been made in technique and in the breeding of hogs for bacon purposes.

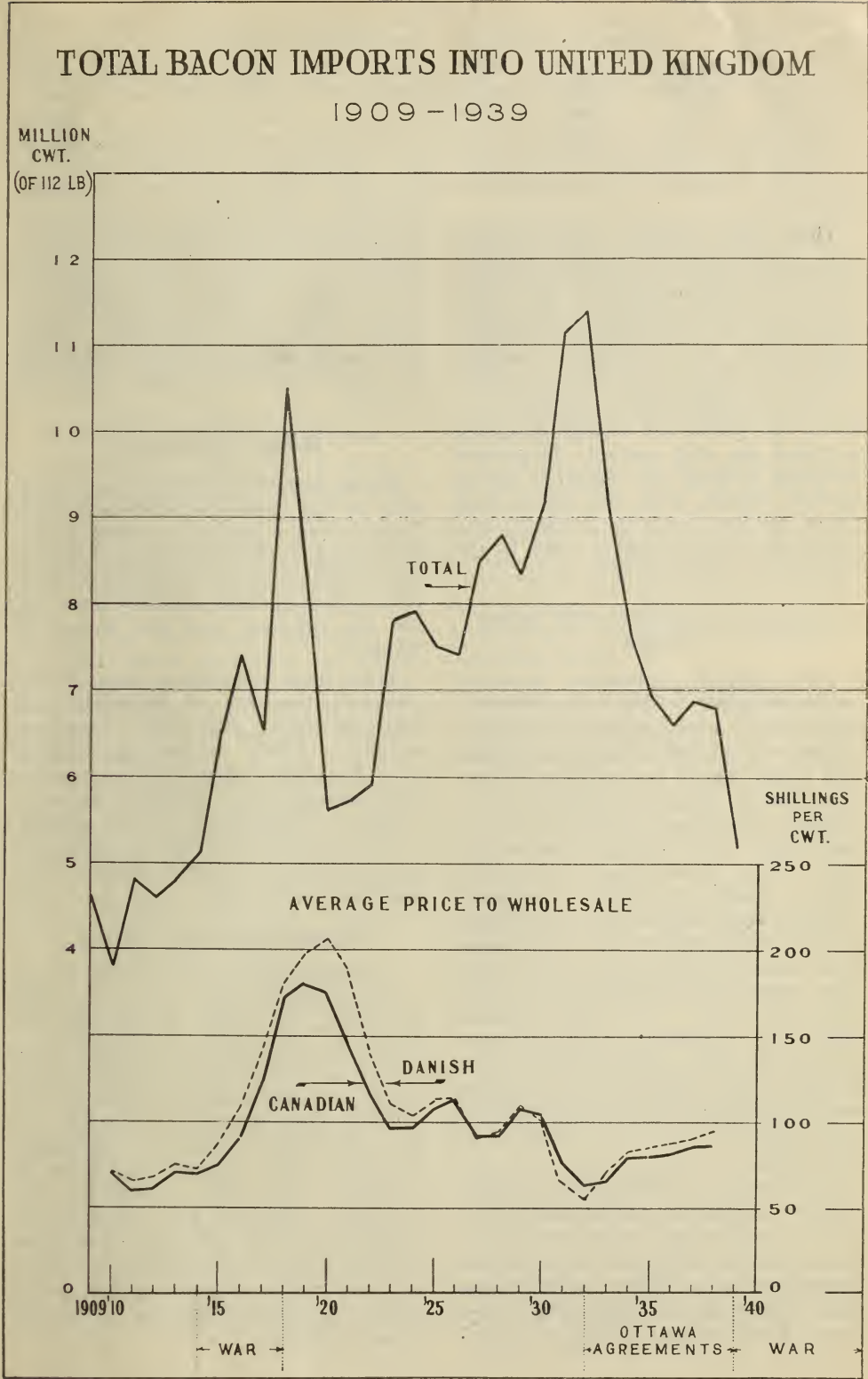
The progress of industrialization since the middle 19th century, and the accompanying improved standard of living, which has gradually extended to larger and larger sections of the population, have resulted in foodstuffs which were once the privilege of the few, becoming the common necessity of the many.

To-day bacon is one of the important items in the diet of the British people and is in demand the year round. At first, the growth in its consumption was undoubtedly slow, but with the expansion of overseas supplies the market developed and expanded until the peak of consumption was reached in 1931 and 1932, in each of which years over eleven million hundredweights were imported. The market, however, had over-reached itself, prices were unremunerative and in the following years imports progressively declined until they became more or less stabilized between $6\frac{1}{2}$ and $7\frac{1}{2}$ million hundredweights for the several years immediately prior to the second world war.

The bacon market has been subject to many vicissitudes; wars and political changes have affected the sources of supply; total imports have varied considerably from the high peaks of 1918 and 1932; and prices have fluctuated between wartime high levels and peacetime unremunerative lows.

Import Trends, 1909-1939

Total imports of bacon into the United Kingdom for the period 1909-1939, and the average first-hand selling price for Canadian and Danish bacon during this period, are shown in the accompanying Chart (No. 1).



Bacon imports into the United Kingdom showed a progressive improvement up to the peak reached in 1932. The abrupt increase in imports during 1914-1920 was due entirely to the extraordinary wartime demands and is in the form of an eruption on the progressively upward trend in market development.

There were, however, other factors than genuine market demand operating to increase the movement of bacon into the United Kingdom. Increased production in Denmark was largely responsible, but Holland, Sweden, Poland, the Baltic and other countries produced considerable surpluses of bacon for which the United Kingdom provided the only market. Shipments increased without due regard to actual market values, with the result that prices declined, slowly at first, and finally in a rapid drop in 1932 to the lowest level ever recorded.

CONTROL OF IMPORTS—THE QUOTA SYSTEM

The marketing situation, however, had been under review and study for several years, and following the Ottawa Agreements in 1932, the quota system was introduced to restrict imports and bring the total quantity of bacon, including home production, to a level in line with actual demand and at the same time maintaining reasonable prices. Sharp reductions in imports followed until 1934 when arrivals began to level out between 6.5 and 7.5 million hundredweights, at which they were more or less stabilized up to the outbreak of war in the latter part of 1939. The reasonable limitation placed on imports was paralleled by a rise in price and progressive improvement was maintained until the renewal of the war changed the whole complex of marketing.

The level at which postwar bacon imports should be maintained to provide a satisfactory price to the consumer and an adequate return to the producer may be difficult to determine. The 6-year period, 1929-1934, which includes the years of largest supply,

was associated with price levels totally inadequate to the producers' needs, and the average imports during that period could not be considered as representative of market requirements. Some other period, more favourable both to the consumer and producer must be selected. Perhaps the five-year period 1934-1938, when imports were more or less stabilized and when there was a positive upward tendency in price levels, may be taken as more representative of the average normal requirements of the United Kingdom. Average annual imports during 1934-1938 were practically 7 million hundredweights.

Home Production

Home production figures are available for the years 1935, 1936 and 1938. These include production from home-grown hogs in Great Britain and Northern Ireland, also bacon produced from frozen pork carcasses specially imported for the purpose, and are shown in Table I.

Total home production immediately preceding the war of 1939-1945 was approximately 3,218,000 hundredweights. Added to average imports over the same period, this provided a total supply of 10,218,000 hundredweights. The quantity is just slightly under the level at which the quota system, introduced in 1933, attempted to stabilize total supply.

Consumption per Capita

The population of the United Kingdom is approximately 47 millions, but 47 millions of people do not consume bacon every day or week. Experience during the war indicates that an appreciable percentage of the people do not take up the bacon ration. Under normal conditions, it may be reasonable to assume, in any particular week 15 to 20 per cent of the people are not buying or eating bacon, which leaves approximately 39 millions of people as persistent consumers of bacon. Possibly this figure represents the actual size of the market that has to be supplied regularly.

TABLE I.
Bacon Production in the United Kingdom

	Great Britain	Northern Ireland	Imported Frozen Pork Carcases	Total
1935	2,022	583	347	2,952
1936	2,317	725	425	3,469
1938	1,942	718	572	3,232
Average	2,094	675	449	3,218

With the total supply, imported and home produced, at about 10,218,000 hundredweights, average consumption per capita, based on 39 millions of actual consumers, is 9 ounces per week. Based on the total population of 47 millions, it would be approximately 7½ ounces per week.

Canadian and Danish Prices

As shown on Chart No. 1, over a long period of years the average first-hand price for Canadian bacon was appreciably lower than the Danish average, except during the three-year period 1930-1932. This period of exception was due, very largely if not entirely, to the small quantity of Canadian bacon available for which there was some degree of competition, while supplies from Denmark and other countries were in extremely large or almost over-supply.

It was invariably the case, with the exception noted, that Danish Wiltshire sides sold at several shillings per hundredweights (112 lb.) more than similar quality Canadian sides. The following official maximum quotations by the London Provision Exchange illustrate the spread in values:—

		Sizeable Weights		
		No. 1	No. 2	No. 3
		Shillings per cwt.		
1937				
Jan.	Canada . . .	80	78	73
	Denmark . . .	90	88	84
Feb.	Canada . . .	77	74	70
	Denmark . . .	86	84	80
Mar.	Canada . . .	85	82	79
	Denmark . . .	92	91	90
Apr.	Canada . . .	87	84	82
	Denmark . . .	95	94	83
May	Canada . . .	82	79	77
	Denmark . . .	92	91	89
June	Canada . . .	84	81	79
	Denmark . . .	91	90	89

Many reasons have been advanced to explain the disparity in price, often 10 to 12 shillings per hundredweight, in favour of Denmark, including better general quality and a very much higher

percentage of Danish Wiltshires classified as sizeable weights; greater fluctuation in Canadian arrivals, necessitating sudden cancellations or reductions in deliveries to the buyer; greater lack of uniformity in Canadian Wiltshires; and total supply of Canadian bacon too small to function as a decisive factor in the determination of market prices.

Whatever may be the actual reasons for the disparity, the trade declined to pay the same price for Canadian as for Danish, and there was little or nothing that could be done to enforce price equity. The market, however, was no doubt handicapped by certain unfavourable features in the supply of Canadian bacon.

Canadian and Danish Shipments

Canadian shipments, as a rule, were insufficient and too irregular in volume—factors which were not offset by superior quality—to influence the market in Canadian favour. Denmark supplied over 50 per cent of the total imports as compared with 16 per cent from Canada, and Danish bacon, which included a very high proportion—estimated at about 90 per cent—of the best quality Wiltshire sides, thereby took the lead in the determination of prices.

Fluctuations, sometimes of severe character, in the Canadian weekly and monthly arrivals in the United Kingdom prevented the maintenance of regular supplies to the more important buyers, whereas the trade found Danish supplies more regular in volume and more dependable in quality. Chart No. 2 illustrates this factor. The fluctuations in deliveries of Canadian bacon compared with the more regular flow from Denmark undoubtedly had an adverse effect on Canadian prices.

U.K. IMPORTS OF CANADIAN AND DANISH BACON

AVERAGE 1936-1938

Variation-Actual Monthly Deliveries compared with
Monthly Average

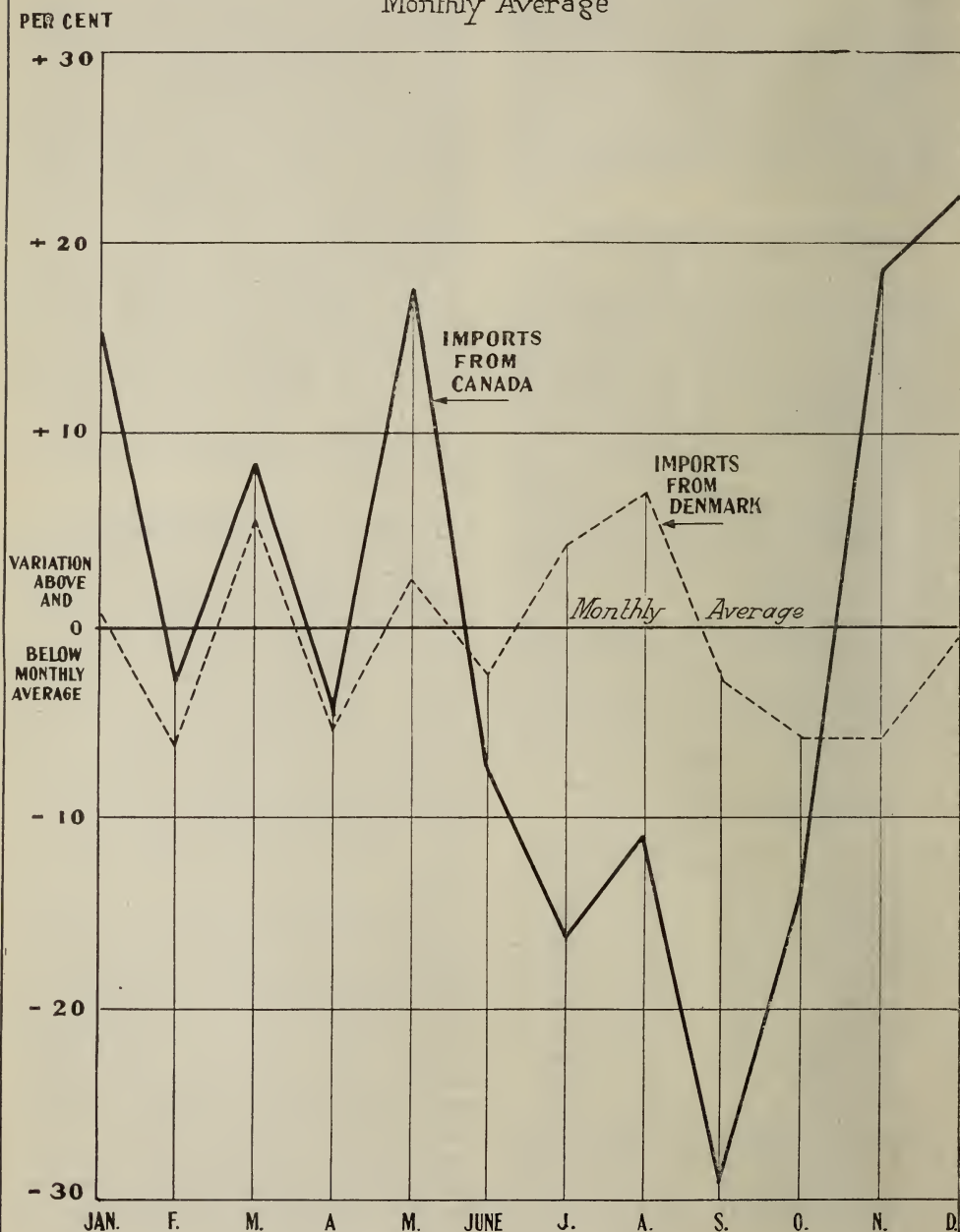


CHART No. 2

The chart, which covers the 3-year period 1936-1938, shows the average actual delivery for each month plotted as a percentage of the overall monthly average represented by the straight horizontal line. It will be noted that the variation in Danish deliveries is within much narrower limits than Canadian. Compared with the overall monthly average, actual deliveries from Denmark vary from -6.7 per cent to +7.0 per cent, whereas Canadian deliveries vary from -29.2 to +22.8 per cent.

A comparison of Canadian shipments on a weekly basis would show some very severe fluctuations within the range of monthly deliveries, and if shipments of particular brands were plotted even wider fluctuations would appear.

A high degree of uniformity in Danish Wiltshire sides has been a material factor in favour of Danish

bacon. It is estimated that up to 90 per cent of Danish Wiltshires were of the sizeable weights Nos. 1, 2 and 3, whereas in Canadian shipments the proportion of these weights is said to have been seldom more than 30 to 35 per cent. The greater variation in Canadian deliveries—both in respect of volume and quality—did not tend to place the first-hand distributors in the same satisfactory relationship with the more important buyers as was enjoyed in the case of Danish bacon; also the greater lack of uniformity, and an appreciably lower percentage in sizeable weights, had the tendency to create a buyer's market for the Canadian product, whereas the more uniform Danish shipments, coupled with a high percentage of sizeable weights, were more favourable to a seller's market. These were some of the factors which undoubtedly had considerable influence in the determination of prices.

TABLE 2

Bacon Imports Into United Kingdom, 1909-1944

	Canada Cwt.	Denmark Cwt.	United States Cwt.	Eire Cwt.	Others Cwt.	Total Cwt.
1909	443,386	1,809,745	2,189,053	.....	183,279	4,625,463
1910	411,935	1,794,416	1,306,921	.....	350,117	3,863,389
1911	615,807	2,122,087	1,817,835	.....	313,009	4,868,738
1912	387,401	2,318,708	1,698,347	.....	229,155	4,634,099
1913	243,522	2,334,945	1,803,371	.....	476,052	4,857,890
1914	342,000	2,715,000	1,523,000	.....	518,000	5,098,000
1915	864,000	2,063,000	3,530,000	.....	66,000	6,523,000
1916	1,594,000	1,642,000	4,004,000	.....	196,000	7,430,000
1917	1,767,000	1,123,000	3,467,000	.....	211,000	6,568,000
1918	1,720,000	21,000	8,645,000	.....	88,000	10,474,000
1919	2,094,248	6,644	5,893,514	.....	286,792	8,281,198
1920	1,493,008	704,075	3,362,264	.....	52,283	5,611,630
1921	844,024	1,849,885	2,509,379	.....	474,300	5,677,588
1922	737,273	2,363,736	2,463,368	.....	367,775	5,932,152
1923	834,284	3,530,561	2,828,662	308,269	291,374	7,793,150
1924	1,191,044	3,987,160	1,833,824	595,409	265,940	7,873,377
1925	1,266,861	3,738,834	1,489,938	461,548	528,983	7,486,164
1926	869,879	3,641,578	1,189,000	434,117	1,336,704	7,471,278
1927	503,084	5,090,785	641,537	450,885	1,795,697	8,481,968
1928	360,795	5,375,795	537,859	550,097	2,082,332	8,852,878
1929	198,491	4,977,026	634,594	497,139	1,970,871	8,278,121
1930	99,298	6,117,866	479,097	330,679	2,164,242	9,191,182
1931	49,495	7,339,195	189,027	296,841	3,259,118	11,133,678
1932	181,580	7,670,349	63,807	200,095	3,275,008	11,390,839
1933	506,906	5,524,217	62,901	204,303	2,786,026	9,084,353
1934	894,284	4,287,830	39,514	367,799	2,008,835	7,598,262
1935	919,064	3,826,286	20,011	458,419	1,703,025	6,926,905
1936	1,092,360	3,373,415	16,935	505,162	1,608,836	6,596,708
1937	1,387,851	3,429,457	6,939	509,837	1,591,958	6,926,042
1938	1,275,573	3,389,192	42,821	536,764	1,624,117	6,868,467
1939	1,019,700	2,296,764	48,431	290,012	1,547,364	5,202,271
1940	3,441,471	.....	.....	.....	.....	.....
1941	4,608,002	.....	.....	.....	.....	.....
1942	5,249,519	.....	.....	.....	.....	.....
1943	5,603,093	.....	.....	.....	.....	.....
1944	6,020,771	.....	.....	.....	.....	.....

The classification of Wiltshire sides for sale in the United Kingdom is as follows:—

Sizeable.—55-65 lb.; No. 1, No. 2 and No. 3.
Heavy.—65-75 lb.; No. 1 and No. 2.
Light.—45-55 lb.; No. 1 and No. 2.

Grades are according to proportion of fat to lean.

Sources of Bacon Supply

The principal sources of supply of bacon imported into the United Kingdom have varied according to world political and economic conditions. Chart No. 3 and Table II show the sources of supply for the 36-year period 1909 to 1944 inclusive.

It will be noted that during the war of 1914-1918 the United States was the principal source of supply, with Canada a poor second. In the period 1920-1938 supplies from the United States and Canada declined almost to vanishing point, while imports from Denmark and other countries increased to a maximum of 11·3 million hundredweights in 1932. At this time the quota agreement became effective and imports from Canada began to increase, while shipments from Denmark and other countries declined, with the result that total imports fell rapidly until the period 1934-1938, when they began to level out between 6½ and 7½ million hundredweights. Table 3 shows the supplying countries and the quantity provided by each during these five years.

TABLE 3

Imports by Supplying Countries 1934-38

	Annual Average	Percentage of Total
	'000 Cwt.	
Denmark	3,662	52·47
Canada	1,114	16·00
Netherlands	519	6·82
Eire	476	7·43
Poland	440	6·30
Baltic countries	280	4·01
Sweden	259	3·71
United States	25	0·35
Other countries	204	2·92
	<hr/> 6,979	<hr/> 100·00

Denmark, the principal supplier, provided more than all the other supplying countries combined, and maintained the leading position to 1939.

Table 4 shows the shares of total imports from the principal supplying countries in each of the four 5-year periods from 1919 to 1938 inclusive.

TABLE 4

Proportion of Imports from Supplying Countries, 1919-38

	1919-23	1924-28	1929-33	1934-38
	Per Cent of Total Imports			
Denmark	24·7	54·3	64·5	52·5
Canada	17·5	10·3	2·1	16·0
United States..	38·2	14·1	2·9	0·3
Other countries	19·6	21·3	30·5	33·2

Supplies from Canada

Canada developed a widely fluctuating supply over the period 1909-1944. After achieving a position of some importance during the first world war and the immediately following years, Canadian shipments declined almost to vanishing point in the period 1929-1933. The quota system, however, created a more attractive market and exports increased until Canada's relative position, prior to the 1939-1945 war, was almost equal to that immediately following the war of 1914-1918.

During the war just ended Canada achieved her highest measure of exports and became the United Kingdom's largest supplier and the mainstay of the rationing system, providing approximately 75 per cent of the total supply of bacon.

The annual shipments of bacon from Canada to the United Kingdom for the 10 years from 1935 to 1944 are shown in Table 2.

Since the beginning of 1945 shipments have shown a continuous decline and it is doubtful if the total will exceed 4 million hundredweights or 448 million pounds, as compared with the figures of 6,020,000 hundredweights or 674,200,000 pounds in 1944.

Bacon Prices

The history of bacon imports into the United Kingdom over a period of 30 or more years is one of sharp rises and falls, and the first evidence of stability, due to the quota system, occurred during the few years immediately preceeding the outbreak of the second world war. During the periods

BACON IMPORTS INTO UNITED KINGDOM

BY COUNTRIES

1909-1944

MILLION
CWT.
(OF 112 LB.)

12

10

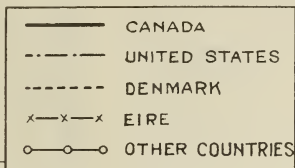
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1909 '10 '15 '20 '25 '30 '35 '40 '44

WAR

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AGREEMENTS

WAR

CHART No. 3

of maximum imports prices have been at a minimum, except during the war period of 1914-1918 and the immediately following inflationary period, when the highest levels were recorded.

Table 5 shows average prices of Danish bacon to the wholesale trade for the years 1910 to 1938 inclusive.

TABLE 5

Average Prices of Bacon to the Wholesale Trade, 1910-38

	Canadian		Danish	
	Per Cwt.		Per Cwt.	
	s.	d.	s.	d.
1910	70	6	70	6
1911	59	..	63	6
1912	61	..	67	6
1913	71	..	76	..
1914	71	..	73	2
1915	76	4	88	6
1916	93	4	110	9
1917	127	11	138	4
1918	173	7	176	8
1919	180	1	198	1
1920	176	..	207	10
1921	146	7	183	..
1922	117	11	141	..
1923	91	7	111	3
1924	91	5	101	11
1925	109	..	118	6 $\frac{3}{4}$
1926	117	4 $\frac{1}{2}$	119	..
1927	92	9 $\frac{1}{2}$	91	9
1928	91	2 $\frac{1}{2}$	94	3 $\frac{3}{4}$
1929	105	10	109	5
1930	103	3	90	4
1931	73	7 $\frac{1}{2}$	61	4
1932	63	4 $\frac{1}{2}$	54	7 $\frac{1}{4}$
1933	65	8 $\frac{1}{2}$	69	3
1934	79	5 $\frac{1}{2}$	82	6 $\frac{1}{2}$
1935	79	4	83	5 $\frac{1}{2}$
1936	80	10	88	9
1937	83	9	89	6 $\frac{1}{4}$
1938	87	9	94	8

During the years of the first world war prices increased as rapidly as supplies increased and thereafter also fell as rapidly as supplies decreased. When supplies later again began to increase, prices continued on the downward grade, with some intervening upward fluctuations, until the peak of imports in 1932. Commencing with 1933 a progressive but gradual rise in prices developed until the outbreak of war in 1939, when a more rapid increase occurred, but the price level has been well below the peak of the first world war.

During the six years of war, prices have been controlled at what may be considered reasonable levels and have

shown little variation, except for the initial upward surge during the first three years. Prices for Wiltshire sides during the period 1940-1945 as compared with pre-war prices (1937-1938) are shown in Table 6.

TABLE 6

Wartime Bacon Prices (Wiltshire Sides) in the United Kingdom

	Prices to Wholesale	Belly	Back
	Per 112 Lbs.	Per Lb.	Per Lb.
1937-38	77s.-104s.	8d.-10d.	1s. 6d.-1s. 10d.
	s. d.	s. d.	s. d.
1940	125 0	1 5	2 2
	113 6		
1941	125 6	1 7	2 2
1942	126 0		
	142 0	1 9	2 4
1943	142 0	1 9	2 4
1944	142 0	1 9	2 4
1945	142 0	1 9	2 4

In comparing wartime and pre-war prices allowance must be made for differences in method of handling. Before the war bacon was mainly delivered from shipside direct, via the smokers, to the wholesale trade, and there was no intervening period of cold storage, except perhaps on occasions of over-supply, which affected only a very small part of the weekly arrivals. But during the war all imported bacon had to be pooled and placed in cold storage to enable an adequate reserve to be built up to offset the long ocean voyage in convoy, also losses by enemy action at sea and on land.

Thus wartime prices to the wholesale trade included the carrying charges for the cold storage period, which at one time extended up to three or four months or longer. Towards the close of the war the storage period began to contract and with the war over, and reduction in total supply, it may not now be more than two to three weeks.

Under a rationing system, a storage period to maintain an adequate supply pool will be unavoidable until regular weekly deliveries in sufficient volume can be assured; and it will not be until such regular weekly volume is forthcoming that direct distribution from ship to trade can be re-introduced.

Wartime Storage and Rationing

The long storage period during wartime required a much harder cure for bacon than is normal in peacetime practice, when rapid movement into consumption was the rule. This harder cure and a degree of staleness, inevitable with a long period in storage, undoubtedly affected the flavour and appearance of the bacon, but it is possible that the effect was comparatively small and passed unnoticed by the great majority of consumers. The ration itself was much more important than any slight depreciation in flavour, and unbroken maintenance of the ration was a token that the Battle of the Atlantic was not being lost. The degree of fat, however, did bring forth opinions from the consumer and whenever fat was excessive, and it was excessive at times, complaints were made with emphasis.

Reliable information in respect to consumer complaints suggests that wartime difficulties in distribution in accordance with local requirements, and the "take it" or "leave it" attitude inseparable from a rationing system, have been to a large extent responsible. Rashers from a cut which normally would be boiled have been over-salty, and with the retailer taking a whole Wiltshire side instead of a special selection of cuts, as in peacetime, it was necessary for some of his customers to take the whole or part of their rations from the poorest part of the Wiltshire side. These customers were liable to, and did, complain.

The war is now over, the need for a heavy-cured bacon is passing, and in due course the market will return to the pre-war practice of rapid distribution direct into consumption, thus permitting a normal mild cure. The return of peace will also attract old suppliers to the market. Denmark has already delivered several shipments and is showing an earnest desire to regain as much as possible of her pre-war standing. There is a possibility of over-emphasis on mild cure and the creation of a fetish without actually improving the quality and flavour of the bacon.

Postwar Market

Such is the general background of the United Kingdom bacon market. Being on the threshold of a new era, it is pertinent to ask what the postwar prospects for Canadian bacon are, and to what extent does Canada desire to retain her wartime market in the United Kingdom?

The extent of the postwar market will undoubtedly depend primarily on price. Under wartime conditions, with full employment, overtime and dual employment in many homes, the limited supply of bacon to the civilian consumer, less than half the prewar quantity, has been consumed at an increase of one-third to 50 per cent in retail price.

Wartime earnings, however, are not being carried over into the postwar years. Wage rates may remain unchanged, or even increased in some instances, but overtime has largely ceased, part-time labour is being dispensed with, there is a steady withdrawal of married woman labour, and consequently total family earnings are now below the wartime level. These wage conditions, however, are not expected to have any serious reaction on the demand for bacon during the next few years or the immediate future.

A moderate increase in the ration above 4 ounces (the ration has been temporarily reduced to 3 ounces due to present short supply) would be immediately taken up at existing price levels owing to the short supply of fresh meats generally. Thus, during the next two to five years, the United Kingdom is likely to require all the bacon that can be made available to her, and the maintenance of the high level of production in Canada during 1943 and 1944 would not have been out of place.

The war of 1939-1945 provided the Canadian hog producer with a market as large as he desired to make it, much experience was gained in the production of bacon type hogs, the difficulties and problems of large-scale marketing have been solved, or, at least, the problems associated therewith have been re-

cognized, and the technique of bacon production under varying conditions, localities and managements has been improved to turn out a highly uniform product.

Following the war of 1914-1918, Canadian bacon shipped to the United Kingdom declined almost to vanishing point. The rapid decline in Canadian shipments since June, 1944, suggests that history may be in danger of repeating itself but perhaps in somewhat lesser degree.

On the other hand, immediate postwar conditions indicate that it may be possible to stabilize Canadian exports somewhere between the peak of pre-war levels and the high point reached in 1944 sufficiently to ensure a place of importance and influence in the postwar market, and give the bacon-type hog a leading function in Canadian agriculture.

The postwar target for bacon exports which should be adopted by Canada may be debatable, but many associated with the market suggest the minimum should be somewhere about 400 million pounds per annum, or from 7 to 7½ million pounds per week. This quantity would require approximately 3,000,000 bacon hogs of standard type and weight per annum. This minimum target is suggested as the level which could be readily maintained and provide the least difficulties in respect to high quality and uniformity in weights; also as not being beyond the scope of available steamship resources during the reconstruction period.

Postwar consumption provided restrictions are removed and sufficient supplies are available, would quickly return to the pre-war level of 7½ ounces per person or slightly more than 10 million hundred weight per annum, or it may even increase should the general meat shortage persist. The suggested minimum target for Canada of 400 million pounds per annum would be 35 per cent of the potential postwar requirement as compared with the pre-war level of 10 to 11 per cent.

It is doubtful, however, if the maximum degree of consumption of bacon will be reached for some considerable

time. While hog production can be increased rapidly as compared with cattle, increase is dependent upon supply of feed-stuffs, and not until the feed position in the United Kingdom and other bacon-supplying countries has been improved can any material increase in total bacon supply be expected.

In the immediate future, the United Kingdom will be mainly concerned with increasing the bacon ration from the present 3 ounces to the wartime level of 4 ounces and in maintaining it at this level until general conditions enable an increase or sufficient supplies are available to permit decontrol of the market.

In this postwar development Canada is bound to find much and severe competition, particularly from Denmark, and it will be only by concentration on the production of the highest type of bacon hog at the lowest possible cost that such competition will be successfully met. The best type of bacon hog must be standard throughout and in sufficiently large numbers to provide the very high proportion of quality bacon necessary to retain a firm hold on the market in face of expected severe competition from Denmark, and perhaps certain other European countries.

Bacon shipments from Denmark in pre-war days were very uniform in volume and constant in quality, consisted largely of the best Wiltshire sides, i.e. sizeable weights ranging from 55 to 65 pounds, in No. 1, 2 and 3 quality; whereas Canada is said to have seldom exceeded 30 per cent of similar quality in respect to total shipments, although certain individual packers may have exceeded this figure on occasions.

Summary

(1) During the recent war Canada developed a bacon industry of approximately the same size as existed in Denmark in pre-war days. In only the three years, 1930 to 1932 inclusive, did Danish exports of bacon to the United Kingdom exceed Canadian exports in 1944 to the same market.

(2) Wartime conditions demanded a great volume of Canadian bacon, lengthened the time in ocean transit and necessitated a long period of storage in the United Kingdom; but, while these factors adversely affected the quality and flavour of the bacon, they were accompanied by a very considerable advance in uniformity and type of hog selection and bacon cure. Also Canadian bacon, during the war years, formed approximately 75 per cent of the total bacon available for ration purposes, thereby receiving the widest possible distribution and handling by a large section of the distributing trade which previously had confined its interest to other sources of supply.

(3) Present conditions in the United Kingdom appear to favour the post-war establishment of Canadian bacon on a considerably larger scale than existed in pre-war days. Volume, provided it is not of unreasonable proportions and is coupled with good quality, is helpful to successful merchandising.

(4) Canada is assured a market in the United Kingdom during the next year or two for all the bacon that can be made available for export. This provides the opportunity to develop the bacon industry along the lines best suited to meet competition from other suppliers, particularly Denmark, which is likely to develop on a progressively increasing scale as the reconstruction period proceeds.

(5) To cater successfully to the United Kingdom market and withstand strong and energetic competition, weekly shipments the year round must show a low degree of variation in

volume, and a very high percentage of the best type of bacon, i.e., Wiltshire sides weighing 55 to 65 pounds, and of No. 1, 2 and 3 quality.

(6) The minimum production target for the postwar period is suggested at around 400 million pounds per annum, which is approximately $7\frac{1}{2}$ million pounds, or 3,750 short tons, per week. This figure is well below the wartime peak and below the quantity the market is prepared to take from Canada during the next year or two. Under the normal conditions of peacetime such a target would not require a total hog population in excess of marketing possibilities, and should ensure the highest possible percentage of the best-grade bacon-type hogs passing into the bacon industry.

(7) The United Kingdom bacon market has been opened to other suppliers and Denmark is already delivering a comparatively small tonnage of mild-cured bacon of the preferred type and high quality. Shipments are expected to increase but any material advance is dependent upon supplies of feed grain and fertilizers, the bulk of which must be imported. Until the difficulties in securing imported feeds and fertilizers are removed, production in Denmark will be retarded.

(8) The present system of wartime marketing in the United Kingdom, involving centralized buying and distribution, is likely to continue for some time. It may be better for the bacon industry in Canada to develop its immediate future on this hypothesis rather than on an expectation or hope of early decontrol and return to free and competitive marketing.

DIAMOND TRADE OF PALESTINE

The achievement of Palestine in reaching the top of the list of diamond-cutting industries during the war is an example of rapid adaptation. In 1938, when Germany's aggressive policy began to undermine confidence in the maintenance of peace, a small band of diamond cutters and brokers decided to transfer their activities to Palestine. Some 70 artisans and brokers then started a small number of workshops. After the occupation of Belgium and Holland by Germany, in the spring of 1940, the industry in Palestine grew rapidly in size; to-day it consists of 32 workshops, employing some 3,500 persons, with a capital investment of £P.1,500,000.

—From *The Economist*.

TRADE OF THE BRITISH WEST INDIES

IV. JAMAICA

By M. B. PALMER, *Canadian Trade Commissioner at Kingston*

Foreign Trade

Jamaica's greatest trade year was 1920, when total imports were valued at £10,313,282 and domestic exports amounted to £7,022,195. The nearest subsequent approach to these totals was in 1944, when imports were valued at £8,973,122 and domestic exports at £4,342,039. Over the years, re-exports increase the total value of exports by roughly 3 to 5 per cent.

Table 1 shows the value and volume of exports and imports for 1938, 1939, 1943 and 1944, thus providing comparative figures for pre-war and wartime conditions.

Invisible items play an important part in Jamaica's balance of trade. Of these the most important are Imperial subsidies and remittances from labourers abroad; while in 1943, over half a million pounds worth of rum was sold to the United Kingdom and held in the Island for storage.

Exports

Table 2 shows the value of domestic exports to principal countries during the same two pre-war and two war years as in Table 1.

Before the war the United Kingdom was the principal market for Jamaican exports, taking in 1938 and 1939 59

TABLE 1

Exports and Imports by Value and Volume, 1938, 1939, 1943 and 1944

	Domestic £	Exports Re-exports £	Total £	Long Tons	Imports C.I.F. Value £	Long Tons
1938	4,925,910	106,830	5,032,740	575,246	6,485,221	536,481
1939	4,646,123	118,623	4,764,746	578,588	6,506,689	563,044
1943	4,040,421	197,010	4,237,431	224,692	7,311,340	278,093
1944	4,342,039	137,423	4,479,462	200,649	8,973,122	366,222

The decrease in tonnages in 1943 and 1944 as compared with 1938 and 1939 pointedly illustrates the shipping situation and combined with fairly constant values denotes the appreciable increase in prices. The low tonnage of imports in 1943 was accounted for in large measure by reduced receipts of coal, fuel oil and gasoline. It is further noteworthy that, whereas in 1938 ships arriving at Kingston numbered 1,403, during 1943 the number fell to only 362. At the same time there were increases in the imports of cotton piece-goods, dried and salted fish, flour, artificial silk piece-goods, boots and shoes, medicines and drugs, paper of all kinds, cement and hardware. Major export increases were recorded in sugar, coconuts, rum, citrus pulp, cigars, pimento and coconut oil, and large decreases in the value of exported bananas, coffee and orange oil.

and 63 per cent respectively of the total. Canada was an easy second, while in 1938 Germany was third, the United States fourth and Holland fifth. In 1939 the United States was third, Germany and Holland fourth and fifth, but exports to both of the latter had declined greatly.

During the war the European markets disappeared and shipments to the United Kingdom declined, while those to Canada and the United States increased substantially in value. In 1943 and 1944 Canada was the leading market, followed by the United States and the United Kingdom, exports to the latter having fallen by more than two-thirds. Shipments to these three countries, it will be noted, together accounted for over nine-tenths of total exports in 1944, those to Canada representing 48 per cent of the total.

Marked changes occurred during the war in the character as well as destina-

TABLE 2

Exports by Principal Destinations in 1938, 1939, 1943 and 1944

	1938	1939	1943	1944	Per Cent
	£	£	£	£	
Total	4,925,910	4,646,123	4,040,421	4,342,039	100
Empire countries	4,275,680	4,109,222	2,927,515	3,311,595	76.27
United Kingdom	2,913,853	2,925,474	714,862	917,455	21.13
Canada	1,309,213	1,095,580	1,959,757	2,088,158	48.09
Australia	7,725	7,915	5,201	13,310	0.31
Bahamas	1,416	13,645	36,572	73,900	1.70
Bermuda	7,235	4,734	5,788	4,451	0.10
Newfoundland	1,031	1,354	8,188	6,829	0.16
New Zealand	16,394	49,138	2,941	19,198	0.44
Others	8,813	11,382	194,206	188,224	4.33
Foreign countries	632,814	520,339	1,089,951	996,627	22.95
United States	180,327	260,209	845,820	915,873	21.09
Belgium	5,604	1,734	....	....	....
France	54,318	15,182	....	....	....
Germany	206,897	95,320	....	....	....
Holland	137,691	89,653	....	....	....
Panama	8,255	9,288	30,354	24,517	0.56
Others	39,722	48,953	213,777	56,237	1.30
Parcel post (all countries) ..	17,416	16,562	22,955	33,837	0.78

tions of Jamaica's export trade. This is shown in Table 3, which gives the values of the principal commodities exported in 1938, 1939, 1943 and 1944.

In 1938 and 1939 bananas was the leading export commodity, accounting for well over one-half the value of total exports. In second place was sugar, followed by rum and pimento. Next in order in 1938, at much lesser values, were oranges, coconuts, ginger, raw cocoa, grapefruit, logwood extract, coffee, tobacco and logwood. The order of the latter was somewhat different in 1939, coffee having moved up to fifth place and being followed by oranges, logwood extract and coconuts.

In 1943 and 1944 sugar and rum were first and second with sharply increased values over the pre-war years. Bananas had sunk in 1943 to tenth place with only a fraction of its pre-war value.

while pimento was third, followed by coconuts, ginger, and tobacco with substantially increased values, coffee, cocoa and logwood extract. In 1944 bananas had moved up to third place and coffee to fourth, being followed by tobacco, coconuts, pimento and cocoa. During these two years exports of citrus fruits were nearly negligible.

The United Kingdom was the leading pre-war market for Jamaica's bananas, with Canada second. Practically all sugar exports went to Canada and the United Kingdom, the greater quantity to the former. In the case of rum, the United Kingdom was first, followed by the United States, Germany and Canada. Pimento went chiefly to Germany, France, the United States and the United Kingdom; oranges and grapefruit to the United Kingdom; coconuts to the United

TABLE 3

Exports by Principal Commodities in 1938, 1939, 1943 and 1944

	1938	1939	1943	1944
	£2,916,956	£2,439,177	£ 47,278	£ 198,285
Bananas	859,500	989,563	1,831,614	1,859,035
Sugar	247,892	247,047	462,371	605,101
Rum	207,070	207,073	236,500	137,720
Pimento	32,907	146,047	113,081	196,503
Coffee	84,155	74,998	177,907	145,592
Coconuts	38,441	52,903	53	3,313
Grapefruits	96,952	113,989	34	7,534
Oranges	47,020	48,447	109,352	103,461
Cocoa, raw	50,939	40,571	124,535	159,179
Ginger	17,028	16,734	120,673	155,738
Tobacco, cigars	14,239	16,598	....	14,299
Logwood	50,677	78,155	96,369	18,662
Logwood extract				

TABLE 4

Imports by Principal Countries in 1938, 1939, 1943 and 1944

	1938	1939	1943	1944	Per Cent
	£	£	£	£	
Total	6,485,221	6,506,689	7,311,340	8,973,122	100.0
Empire countries	4,130,325	4,070,490	5,430,984	5,519,333	61.5
United Kingdom	2,108,639	1,847,731	2,566,302	1,324,471	14.8
Canada	1,014,276	1,121,108	2,062,204	3,429,457	38.2
Australia	119,559	112,471	96,600	.....	.....
Bahamas	10,252	14,851	77	1	.....
Bermuda	185,281	145,899	.....	.....	.....
Hong Kong	88,910	145,870	.....	.....	.....
India	54,669	74,123	274,239	178,646	1.9
Newfoundland	185,885	166,351	336,789	410,182	4.6
New Zealand	53,970	38,426	19	.....	.....
Trinidad	252,983	357,724	45,826	24,609	0.3
Others	55,910	45,936	48,928	151,967	1.7
Foreign countries	2,166,559	2,269,043	1,793,404	3,380,734	37.7
United States	1,359,143	1,471,285	1,383,169	2,834,159	31.6
Argentina	19,895	22,535	229	12,299	0.1
China	22,060	19,585	681	37	.....
Dutch West Indies	157,474	120,438	141,337	301,230	3.4
Panama	572	550	765	909	.....
Others	607,415	634,650	267,223	232,100	2.6
Parcel post	188,337	167,156	86,952	73,055	0.8

States and Canada; cocoa and coffee to Canada. In 1943 and 1944 sugar went mainly to Canada; rum, ginger, coconuts and pimento chiefly to the United States; cocoa to Canada.

Imports

Tables 4 and 5 show imports into Jamaica in 1938, 1939, 1943 and 1944 by principal supplying countries and by principal commodities respectively.

Noteworthy features of the figures in Table 4 are the tripling of imports from Canada and the doubling of those from the United States in 1944 as compared with 1938 and 1939. Imports from the United Kingdom, it will be noted, were higher in value in 1943 than in 1938 or 1939, but declined about 50 per cent in 1944.

During the pre-war and war years compared in this report, the United Kingdom, Canada and the United States together supplied from 68 to 84 per cent of Jamaica's imports, the higher proportion being in the war

years. The shares of each in the four years were as follows:—

United Kingdom.—1938, 33.5 per cent; 1939, 28.4; 1943, 35.1; 1944, 14.8 per cent.

Canada.—1938, 16.1 per cent; 1939, 17.2; 1943, 28.2; 1944, 38.2 per cent.

United States.—1938, 21 per cent; 1939, 22.6; 1943, 18.9; 1944, 31.6 per cent.

Main commodities imported from the United Kingdom in pre-war years were: cotton piece-goods, apparel, silk and wool manufactures, boots and shoes, hats, motor cars and parts, cement, chemicals, paints, fertilizers, medicines and drugs, agricultural machinery, agricultural and other implements and tools, galvanized roofing, coal, salt, soap, flour, whisky, beer and ale. During the war shipments of cement, cotton piece-goods, fertilizers, agricultural tools, paints and salt were fairly well maintained, but those of the others mentioned decreased or ceased entirely.

TABLE 5

Imports by Principal Commodities in 1938, 1939, 1943 and 1944

	1938	1939	1943	1944
	£6,485,221	£6,507,689	£7,311,340	£8,973,122
All classes	£6,485,221	£6,507,689	£7,311,340	£8,973,122
Class I—Food, drink and tobacco	1,758,793	1,758,451	1,992,705	3,383,600
Class II—Raw materials and articles mainly unmanufactured	331,933	362,004	231,000	343,622
Class III—Articles wholly or mainly manufactured	4,140,554	4,212,290	4,895,164	5,157,925
Class IV—Animals and birds (not for food)	3,250	2,286	2,936	9,306
Class V—Bullion and specie and parcel post	250,691	172,658	189,535	78,699

From the United States principal pre-war imports were: cotton piece-goods, silk manufactures, motor cars and parts, chemicals, medicines and drugs, coal, gasoline and kerosene, electrical apparatus, hardware, agricultural and other tools, machinery, leaf tobacco, perfumery, printing paper, wooden shooks, flour, glass and glassware. Importations of some of these commodities, notably cotton piece-goods, glass and glassware, flour, medicines and drugs, and shooks, increased substantially during the war, while most of the others showed declines. There were, however, increased imports of a wide variety of other goods offsetting the declines and contributing to the increased value of total purchases from the United States.

In pre-war years there were a number of examples of important quantities of products purchased from various countries which subsequently disappeared or fell to insignificant proportions. As conditions become more normal and shipping is again available, these sources may again become active. Some of the outstanding instances may be briefly noted.

Cotton hosiery from Hong Kong in 1941 numbered 442,154 pairs valued at £7,994, the greatest since 1934. Boots and shoes from the same source rose to a volume of 86,755 pairs in 1939 valued at £53,368. New Zealand butter reached an all-time high of £59,067 in 1941. German hardware and toys had dropped somewhat by 1939 but still accounted in value for £20,734 and £82,924 respectively. In 1939, Holland supplied condensed milk to a value of

£134,357 and paper and paper manufactures to the extent of £13,033. Silk manufactures from Italy in the same year amounted to £14,778. Siam sent nearly five million pounds of rice valued at £23,999 during 1940. Sweden shipped paper manufactures in 1939 having a value of £5,217. Japan supplied during 1939 £17,014 worth of cotton manufactures, £15,008 worth of silk broadstuffs and £11,031 worth of wool manufactures. India's rice shipments, which were valued at £155,398 in 1937, fell completely away, while bags and sacks from India rose to 2,590,300 in 1943 and 2,145,960 in 1944 in number, valued at £194,605 and £170,636 respectively. Cuba in 1944 supplied 57,771 pairs of boots and shoes valued at £57,143 and cotton piece-goods valued at £66,594. In the previous year cotton piece-goods from Cuba were valued at £129,273.

Two other important items in Jamaica's import trade may be mentioned. Salt from Turks Islands increased from over 9 million pounds in 1939 to 11,966,680 pounds valued at £24,556 in 1944. Last, but far from least, Newfoundland's trade in "fish of all kinds" (almost entirely codfish) during 1938 and 1939 reached a volume of 15 million pounds, and still amounted to 8,979,236 pounds in 1943 and 10,062,412 in 1944, valued at £336,237 and £410,182 respectively.

Trade with Canada

Jamaica's total trade with Canada increased from £2,323,389 in 1938 to £5,517,615 in 1944. Exports to Canada in these two years were valued at

TABLE 6

Exports to Canada by Principal Commodities

	1938	1939	1943	1944
	£	£	£	£
Total	1,309,213	1,095,580	1,959,757	2,088,158
Cocoa, raw	42,945	48,168	109,350	103,387
Coffee, raw	123,213	137,649	35,307	....
Bananas	320,855	252,999	36,776	....
Oranges	11,075	9,471	34	....
Coconuts	26,663	29,132	....	....
Grapefruits	2,272	1,998	....	....
Ginger, dry	5,154	4,422	14,176	35,094
Pimento	4,675	5,261	9,931	11,497
Rum	14,524	10,536	39,323	82,256
Sugar, unrefined	750,282	588,085	1,670,408	1,628,716
Tobacco, cigars	1,006	944	110	1,240

£1,309,213 and £2,088,158 and imports from Canada at £1,014,276 and £3,429,457 respectively.

Table 6 shows the values of domestic exports to Canada by principal commodities in the four years 1938, 1939, 1943 and 1944. It will be noted that there were increases in the latter two over the former two in the value of nearly all commodities, except bananas, coconuts and citrus fruits, shipments of which practically ceased. A large rise in the value of sugar exports, however, was mainly responsible for the increase in total value of exports to Canada.

While the quantities of some commodities exported to Canada were larger in 1943 and 1944, the higher values in these years than in 1938 and 1939, it should also be noted, were largely the result of higher prices. For example, the value of sugar shipped to Canada in 1944 was more than double that in 1938, but the volume increased only from 91,467 to 166,814

tons or about 82 per cent. Again, shipments of cocoa were slightly smaller in 1944 than in 1938 or 1939, although the value was more than double. In the case of rum, the quantity rose from 31,834 to 88,182 gallons as compared with an increase in value from £14,524 to £82,256.

Principal commodities imported from Canada are shown in Table 7. In 1938 and 1939, as this table shows, the leading items in value were boots and shoes, motor cars, parts for motor cars (including tires and tubes), dried salted fish, pickled mackerel, flour, cornmeal, hardware, printing and other paper, shooks and other lumber. With a few exceptions, notably motor cars and parts and cornmeal, imports of these and most of the other items listed in the table showed increased values in 1943 and 1944. Of particular note are the enlarged values of imports of fish, flour, meats, condensed milk, medicines and drugs, chemical fertilizers, paper, and cotton piece-goods.

TABLE 7
Imports from Canada by Principal Commodities

	1938	1939	1943	1944
Total	£1,014,267	£1,121,108	£2,062,204	£3,429,457
Boots and shoes	48,949	76,298	113,749	67,136
Butter	676	2,693	6,999	16,274
Cheese	17,036	17,298	22,041	14,454
Motor cars	81,004	82,628	939	90
Motor car and truck parts (including tires and tubes)	67,582	74,479	2,690	14,924
Motor trucks	42,629	36,010	2,438	22,566
Cotton piece-goods	206	290	47,626	18,968
Fish, dried salted	25,903	34,338	19,146	84,765
Alewives	12,275	8,947	45,701	57,811
Canned	11,546	16,505	50,346	103,928
Herrings, pickled	2,332	3,792	10,013	49,091
Mackerel, pickled	50,303	58,967	92,508	87,536
Flour	262,726	282,725	523,687	1,309,485
Cornmeal	37,916	33,561	40	.....
Wheat	3,667	3,287	7,036	11,965
Haberdashery and millinery	921	835	12,998	6,813
Hardware	16,791	18,102	13,578	9,526
Machinery, agricultural	1,428	2,855	1,002	4,262
Railway and tramway (equipment)	646	1,873	.....	206,611
Nails, screws, rivets and staples	9,518	4,885	12,998	10,072
Fertilizers (chemical)	894	933	96	30,490
Meats: beef, wet salted	56	88	31,311	39,159
Ham	866	1,886	9,552	13,318
Pork, wet salted	7,228	6,793	32,974	68,184
Medicines and drugs	11,994	12,537	48,420	37,150
Milk, condensed	33,114	6,218	123,815	172,834
Provisions	5,077	10,461	52,848	33,500
Painters' and printers' colours and materials	6,100	8,876	10,930	28,249
Paper, printing and unenumerated ...	29,708	22,614	100,801	48,971
Tobacco, leaf	4,645	512	44,462	72,996
Potatoes	4,396	4,411	7,306	12,636
Shooks, Douglas fir, pitch pine and shingles	50,678	66,033	34,305	97,501
All other articles	116,423	159,194	502,219	662,113

CANADIAN TRADE WITH SOUTHERN CALIFORNIA

By T. J. MONTY, *Canadian Trade Commissioner at Los Angeles*

California's population at the beginning of 1945 was estimated at 8,842,700, an increase of 1,935,300 over the 1940 census figure, and a gain of 7,357,600 since 1900. The development of industry, agriculture and other economic resources is said to have followed the trend of population increase, quite apart from wartime developments of a temporary nature, and this expansion is apparently permanent.

The population of Los Angeles city proper increased from 102,000 in 1900 to 1,490,000 in 1940 and to 1,825,000 in 1945. During the war years the increase in population was 335,000.

While at one time California was known principally for its citrus fruit, the motion picture industry, and its tourist attractions, it has developed to a considerable extent industrially, especially during the war. California is rated second highest on the basis of per capita income among the states of the Union and, being one of the richest states, is therefore one of the best markets.

TRADE THROUGH THE PORT OF LOS ANGELES

Trade figures covering imports and exports through Los Angeles and Long Beach show that the value more than doubled between 1925 and 1940, increasing from \$111,000,000 to \$223,000,000, although the quantities handled have only increased from four to slightly over five million tons. Tonnage handled was greater in the late twenties than in the thirties.

IMPORTS FROM CANADA

With particular reference to trade with Canada, the following table shows the principal Canadian centres from which goods were received and entered through the port of Los Angeles and Long Beach with values for 1940, the latest year for which statistics are available, when the total value of imports was \$4,242,313.

Imports from Canada by Centres

Powell River	\$1,462,441
Ocean Falls	1,233,630
Windsor	494,956
Montreal	248,090
Toronto	171,979
New Westminster	156,965
Ottawa	144,345
Vancouver	122,508
Trail	117,600
Victoria	41,590
Calgary	12,667
Fraser Mills	6,130
Chemainus	5,950
Winnipeg	5,420
Lockeport	4,560

Imports valued at \$1,000 to \$4,000 were also supplied from the following: Quebec, Yarmouth, White Rock, Westminster and Halifax.

The principal commodities included in these purchases from Canada in 1940 were as follows: newsprint, \$2,693,160; softwood lumber, \$196,000; mill manufactures, \$62,220; wood-pulp, \$43,680; hardwood lumber, \$28,820; rags and other paper stock, \$18,480; zinc and manufactures, \$44,020; iron drums and containers, \$5,737; whisky and other beverages, \$491,160; airplanes, parts and accessories, \$221,640; industrial machinery, \$10,550; cameras, films, and scientific instruments, \$196,580; fertilizers, \$124,750; hides, skins and furs, \$10,390; fresh and preserved fish, \$9,390; miscellaneous textile products, \$6,853.

EXPORTS TO CANADA

The principal Canadian destinations of exports from California through the port of Los Angeles and Long Beach, valued at \$3,449,412 in 1940, are shown in the following table:—

Exports to Canadian Centres

Vancouver	\$1,731,421
Ioco	1,523,007
Victoria	118,930
Dawson	21,730
New Westminster	14,523
Port Moody	8,070
Regina	7,680
Britannia Beach	7,340
Saskatoon	7,302

Other markets in Canada, shipments to which were valued at less

than \$5,000, were: Shelburne, Edmonton, Prince Rupert, and Calgary.

Among the principal commodities exported to Canada, with values for 1940, were the following: crude oil, \$2,139,600; fuel oil, \$329,200; Diesel oil, \$280,820; gasoline, \$142,620; clays, \$14,130; fresh oranges, \$56,250; fruit juices, \$40,720; walnuts, \$30,670; fresh grapefruit, \$13,170; fresh lemons, \$12,950; raw cotton and linters, \$19,930; furniture, including wicker, \$27,690; hardwood lumber, \$12,220; steel-mill products and railway material, \$24,122; industrial machinery, \$31,330; borax, \$11,280; industrial chemical specialties, \$11,274.

The foregoing figures are for water-borne trade only and do not represent the total trade of Southern California with Canada.

PORT FACILITIES

Plans have been made for the expansion of the port facilities which for the Long Beach port alone (adjacent to the Los Angeles harbour) involve an expenditure of \$59,000,000, spread over the next twenty years; immediate plans contemplate improvements costing nearly \$20,000,000. Revenues are derived from oil fields owned by the port, in addition to those from port operations, which revenues are utilized for port improvement. With such a program, Southern California will be served by port facilities through Los Angeles independent of more northern facilities, which will help to develop and to stimulate an expansion of industry and of trade beneficial to the economy of the whole of this southwestern area of the United States.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela; and Mr. R. G. C. Smith, recently appointed to succeed Mr. J. L. Mutter as Canadian Trade Commissioner at Havana, Cuba (territory includes Haiti, the Dominican Republic and Puerto Rico). Their itineraries as presently arranged are as follows:—

Mr. Palmer

Winnipeg	Jan. 7 to 9
Edmonton	Jan. 11
Vancouver	Jan. 14 to 18
Victoria	Jan. 19 and 21
Vancouver	Jan. 22 to 26
Ottawa	Jan. 29 to Feb. 4

Mr. Bissett

Vancouver	Jan. 5 to Jan. 12
Victoria	Jan. 14
Toronto, including Gravenhurst, Leaside, Weston	Jan. 18 to 30
Kitchener, including Galt and Guelph..	Jan. 31

Mr. Smith

Toronto	Jan. 7 to 12
Ottawa	Jan. 12 to 16

Mr. MacDonald

Winnipeg	Jan. 7 to 9
Regina	Jan. 10
Edmonton	Jan. 12 and 14
Vancouver	Jan. 21 to 25
Victoria	Jan. 26 and 28
Vancouver	Jan. 29 to Feb. 1

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto, Winnipeg, Edmonton and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Ottawa, with the Department of Trade and Commerce; for Kitchener and Regina, with the respective Board of Trade in those centres.

TRADE WITH CHINA

Permission for the resumption of trade with China has been granted in accordance with the promulgation by the Secretary of State on December 15, 1945. However, the present shortage of shipping and foreign exchange problems will considerably retard the trade's recovery.

Shipping operators on the West Coast of Canada are in the process of establishing regular sailings to China. The Anglo-Canadian Shipping Company of Vancouver has commenced sailings and intermittent sailings of other companies' vessels are taking

place. American West Coast shipping firms have also instituted sailings to China, and their sailing schedules should soon be available.

Designation of currency for export transactions will be in accordance with the Foreign Exchange Control Board's Regulations, No. 19(d). It is not known the amount to which foreign exchange will be available to import merchants in China, for business to date has been carried out through Chinese Government corporations and other organizations, but it is probable that it will be in rather short supply.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 31, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, December 31, 1945, and for the week ending Monday, December 24, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 24	Nominal Quotations in Montreal Week ending Dec. 31	Official Bank Rate
Great Britain	Pound	4.866			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1050	1.1050	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2724	.2724	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.6230	.6230	—
South Africa	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, Canadian, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1).

Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

Acting Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.

Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.

Territory includes Switzerland.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation to the Netherlands, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Concluded

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street,
London W. 1, England.
Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212,
Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.
Territory includes Ecuador.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings,
Harrison Street.
Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or
Portuguese East Africa, Nyasaland, and the Belgian Congo.
Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South
African Mutual Buildings, 21 Parliament Street.
Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya,
Uganda, Mauritius, Madagascar, and Angola.
Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House,
Trafalgar Square, S.W.1.
Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.
Territory includes the South of England and East Anglia.
Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.
Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square,
S.W.1.
Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.
Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.
Territory covers Scotland.
Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street
N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.
Territory includes Bermuda.
Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

PERU'S ECONOMY AND FOREIGN TRADE

I*

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

The Republic of Peru is the third largest country in South America, being exceeded in area by Brazil and Argentina. It has an area of approximately 502,500 square miles and lies entirely within the tropics, stretching from about 2 to 18 degrees south latitude and having a coast line on the Pacific Ocean of about 1,400 miles. At its broadest, Peru is approximately 800 miles wide. It is bounded on the north by Ecuador and Colombia, on the east by Brazil and Bolivia, and on the south by Chile.

Peru is divided by the Andes into three distinct north-south geographical zones: the narrow coastal plain between the Maritime Cordillera and the Pacific Ocean, which is mainly arid and sandy but intersected by fertile river valleys; the Sierra or Andean region, about 250 miles wide, consisting of more or less parallel mountain ranges, varying from 4,000 to 20,000 feet high, with lofty plateaus lying between them; and the Montaña or eastern lowlands, which stretch on into the jungles of western Brazil.

Climate

Altitude is one of the main factors governing the climatic conditions of the various regions. The climate is semi-tropical along the low Pacific coast, cool all the year round on the inland plateaus, and very hot in the eastern Amazon districts.

Another peculiar point is the practical absence of rainfall in the coastal region, where the heat is moderated, however, by the cool Humboldt current. At times in the winter there are fogs and in the Lima district there is considerable overcast. The summer season

in the coastal area is usually from December to April and the winter from May to November, but there is considerable variation from year to year, January to March inclusive being the really hot months.

History and Population

The history of Peru may be roughly divided into three periods. First there is the time prior to the arrival of the Spaniards, including the four-hundred-year-old communal society of the Incas. Next in 1530, under the leadership of Francisco Pizarro and Diego de Almagro, began the conquest of Peru and the long period of Spanish domination and colonization, which terminated in 1821, when General San Martin proclaimed the independence of the country. Then began the new life of the Republic of Peru, which continues its progressive strides at this present day. Spanish traditions were superimposed on the Indian and Peru's modern culture is the mingling of these two dominant strains.

According to the latest census, taken in 1940, the population of Peru is a little over 7,000,000. The upper class of Spanish descent is approximately 500,000, although in total the white and mixed races make up about 53 per cent or approximately 3,700,000. It is estimated that nearly 3,200,000 or 46 per cent of the people are pure Indians living in the Sierra, while the Amazon tribes number about 350,000.

The main group therefore is the "mestizos" (mixed races), usually a mixture of Spanish and Indian blood, although occasionally being combined with Oriental or Negro. There are about 29,000 Negroes, 27,000 Japanese and 14,000 Chinese. The number of

*A second instalment of this article will appear in an early issue.

British residents is calculated at 2,000, including 300 Canadians, and of United States citizens about 2,200. Roughly, about 1,000,000 of Peru's inhabitants can be reckoned as probable consumers of foreign goods.

Chief Cities

Lima is the capital of Peru and together with its suburbs has a population of about 520,000. It is a large prosperous city with all modern conveniences and amenities. Eight miles east of Lima, there is the port of Callao with 82,000 inhabitants. Taken together, this is the most important and densely populated area of Peru, the business hub, and the largest concentration of purchasing power in the country. Callao is the main port of entry into the Republic, serving as the port for Lima, with a good modern harbour where liners can be moored alongside the docks on which are up-to-date terminal warehouses. It is estimated that nearly 75 per cent of the country's commerce funnels through the Lima-Callao zone and the principal business firms are located in Lima.

The next largest city is Arequipa, the principal trade centre for southern Peru, with some 80,000 inhabitants. It is served by the port of Mollendo (13,000), an open roadstead, which is to be supplanted by Matarani, a protected port with new terminal facilities. Matarani is to be connected shortly with Arequipa by the construction of a branch line which will by-pass Mollendo and join up with the main line. Arequipa is connected by railway with Puno (18,000), where goods are transhipped to Bolivia on Lake Titicaca steamers, and with Cuzco, the old Inca capital, which now has about 50,000 inhabitants.

Other cities in the south are Pisco, 15,000; Ica, 22,000; Moquegua, 5,000, and Tacna, 12,000. In the north there are the following provincial centres: Talara (oilfields), 14,000; Paita, 7,000; Piura, 22,600; Chiclayo, 30,000; Trujillo, 46,000; and Huaraz, 14,000. In the Sierra there are Huánuco, 10,000; Huancayo, 18,000; Cerro de Pasco,

20,000; La Oroya, 15,000; (these last two towns being the location of the mines and the smelter respectively of the largest mineral operating company in Peru); Jauja, 10,000; and Ayacucho, 22,000. Finally there is Iquitos, Peru's principal port and centre on the Amazon river, with a population of about 50,000. All these figures are relative and a great number of the persons included in the statistics have very low purchasing power and may live merely in huts.

Government

Peru is a republic, electing its President, first and second Vice-Presidents, members of the Senate Chamber (40), and of the Chamber of Deputies (140), for a term of six years. At present the franchise is confined to males over 21 years of age who can read and write, voting being compulsory until 60 years of age. The Cabinet is appointed by the President and members need not necessarily have a seat in either of the Chambers, although they may be called before such bodies to explain their policies. Laws must be passed by both houses and signed by the President.

Peru has 23 departments. These are divided into 123 provinces, which in turn are split into 1,061 districts. Each department is administered by a prefect and each province by a sub-prefect. Municipal councillors are nominally elected by direct vote, but in recent years municipal bodies have been appointed by the Government. This is now being altered, municipal councils being selected by representatives of different groups in the community, while later it is intended to supplant these officials by duly elected officers.

Education, Language and Religion

Education is making strides, but there is still a high rate of illiteracy, which averages 58 per cent for the country. This varies greatly from only 7 per cent in the chief urbanized area to nearly 88 per cent in one of the more isolated provinces. Schools are provided in the chief towns and cities

and attempts are being made by the Government to increase educational facilities in the outlying provinces. There are two universities in Lima, another at Arequipa, one at Cuzco, and a fifth at Trujillo. Commercial, trades, and fine arts schools have also been established. There are several high schools where education is provided under foreign guidance, but they must adhere to a curriculum set by the Government and pupils must pass state examinations to secure leaving certificates valid in Peru.

Spanish is the official and principal language of Peru. It is used and understood by all commercial firms. The knowledge of English is rapidly spreading and has supplanted French as the second language taught in the schools. The heads of most business houses understand English and are used to reading English letters, but are not always able to reply in that language. The Quechua and Aymara dialects are spoken among the Indian population.

The state religion is Roman Catholic, and the constitution guarantees complete religious liberty.

Income Groups

It is difficult to estimate the income ranges of the population as no statistics are published on this subject. In the last twenty years there has been a considerable growth in the middle class, principally in the Lima district. Previously there was no middle class and the wealth of the country was held mainly in the hands of some 500 families.

Economy

AGRICULTURE

Agriculture is still the most important pursuit in Peru and employs a large majority of the people, despite the expansion of the mining and oil industries. About 3,715,000 acres are cultivated in the irrigated coastal lands and in the mountain regions. The exploitation of guano (bird manure) deposits was one of the early important industries.

Peru's cotton and sugar are exported all over the world. Rice, wheat, vegetables, fruit, cocoa, coffee, tobacco, live stock, wool, hides and goat skins are important products, while new developments are taking place in quinine production, the growth of natural rubber, and other tropical products. Flax, barbasco or cube, fish salted and canned, sisal hemp, tea, nuts, tanning extracts, medicinal herbs, ginger, and beeswax also figure in Peru's agricultural program.

Serious attention is being given nowadays to the intensification of the production of foodstuffs, since with more people in the urban zones the difficulty of supplying their needs is becoming sharper. The present cotton crop has been successfully liquidated and the demand for Peruvian sugar far exceeds the current supply.

MINING

Ever since Spanish colonial days Peru has been famous as a source of minerals and metals. Mineral production accounts for the largest part of the country's exports and in the last five years, if petroleum shipments are included, mining products have made up over 60 per cent of the total value of exports.

Petroleum production and refining in Peru during 1944 was over 14,000,000 barrels of crude petroleum, and approximately 15,000,000 barrels of refined products, including gasoline, kerosene, Diesel fuel and lubricating oils. The principal production is in the northern part of Peru, where one large firm accounts for around 80 per cent of the total. New sources are being developed in the eastern section of the country, the refined products of which are already being sold in the Amazon basin.

Among the more important products of Peruvian mines are copper, gold, silver, lead, zinc, tungsten, molybdenum, antimony, tin, bismuth and vanadium. A large smelter at La Oroya produces blister copper, refined lead, electrolytic zinc, bismuth and tin. This is the only smelter in Peru and it is

controlled by a large United States company. There are 13 gold refining plants, and approximately 21 concentrating plants for complex ores.

PROJECTED IRON AND STEEL INDUSTRY

Plans have been drawn up and preliminary construction is under way for the development of an iron and steel industry to be located at Chimbote, in northern Peru. Already port works have been constructed and the building of tunnels for water diversion from the Santa River is in progress. This is to provide up to 125,000 kilowatts of power and the ore is to be brought from the Marcona deposits, 400 miles south. This undertaking, which had the approval of the former Government, is currently being investigated by the new regime which, however, has decided at least to proceed with the purchase of two hydro-electric generators with a capacity of 54,000 kilowatts, together with their transformers and accessories. The United States Import-Export Bank has provided the credits necessary to acquire these units, whereas up till now the capital invested has been entirely Peruvian.

There are extensive deposits of semi-anthracite coal in the Ancos region about 65 miles inland from the port of Chimbote. This industry is being developed by private enterprise and three mines are already producing in the area, most of the output going to the Argentine and some to Uruguay. Chilean steamers are now bunkered at Chimbote.

SECONDARY INDUSTRIES

In general, Peru is not a highly industrialized country, but has depended mainly upon the agricultural and mineral industries. Manufacturing has been chiefly confined to those industries which have developed from an abundant supply of raw materials, or whose processes are not too involved. Consequently, there has grown up an important textile industry, principally manufacturing cotton goods, but including some woollen and recently

rayon goods; a fair-sized leather industry has developed, making leather products of all kinds, including footwear; sugar mills have been established for the grinding of the cane, and cottonseed oil refineries and vegetable shortening plants for the treatment of these products.

Other secondary industries include the production of beverages, flour, lumber, soap, cement, sulphuric acid, firebricks and fireclay, cotton waste, metal goods, felt and straw hats, clothing, paper products, glass, toys, candy, spaghetti, paints, perfumery, boot and floor polishes, nails, and ice plants, cocaine factories, furniture shops, milk processing and sundry other food products. To meet wartime needs there have also developed supplementary industries like the drawing of copper wire and manufacture of metal furniture from imported sheets, a rubber tire factory has been opened, asbestos-cement piping has been produced, and fish canneries operated. Although the development of such industries in several cases has been stimulated by war conditions and the difficulty of supply, their growth might have occurred normally with the expanding needs of the country.

ASSISTANCE FOR INDUSTRIAL DEVELOPMENT

The Peruvian Government has assisted industrial development within the Republic, particularly when the use of national raw materials was involved. Higher import duties have been levied to protect certain branches of endeavour and in 1937 an Industrial Bank was founded with the aim of encouraging new industries and assisting old ones by easy credits and investment of funds. The quality of domestically made goods is steadily improving and the variety of articles offered has been greatly extended in the last five years. The present Administration has stated that it invites the investment of foreign capital, but hoping that a certain share in such new enterprises will be owned by Peruvians and always complying with the provi-

sion that 80 per cent of the payroll goes to Peruvians.

FOREIGN CAPITAL

The chief foreign investors in Peru are British and American. The British own the principal railways, the largest brewery, one of the main plantations producing tropical products, cotton estates, sugar plantations, oil fields, textile mills, merchant houses and steamship agencies. The plantation referred to is owned by the holding company of the railways and had 2,478 acres under cultivation in 1944. United States capital controls the largest mining enterprise, the biggest oil field and the main refinery, textile mills, the biggest kraft paper and paper products mill, the largest milk-processing plant, operates steamship and airplane lines, and controls several merchandising houses. One source states that United States capital investment is valued at more than three times British interests, but no accurate figures are available. The situation is complicated by the inclusion under United States capital investment of one of the main petroleum companies, which is controlled by a Canadian firm in which United States investors have a majority holding.

Foreign Trade

One Peruvian sol (\$1.00) equals approximately 17.1 cents Canadian at current exchange rates; one kilo is equivalent to 2.2 pounds.

Peru's balance of trade is normally a favourable one and continued to be so in 1944. Imports in that year were valued at above 514,000,000 soles, while exports were more than 547,000,000 soles, making a total foreign commerce of over 1,061,000,000 soles or roughly \$181,431,000. Trade increased in value all through the war years and the rate of exchange between the sol and the U. S. dollar has been stable ever since May, 1940.

By way of brief comparison, the following figures show the values of imports and exports in the two pre-war years 1937 and 1938 and two war years 1943 and 1944:—

	Imports Soles	Exports Soles	Excess of Exports Soles
1937	235,205,523	365,440,446	130,234,923
1938	260,158,735	342,128,640	81,969,905
1943	449,366,231	460,317,689	10,951,458
1944	514,423,376	547,335,952	32,912,576

It will be observed that the value of both imports and exports increased considerably in the war years. This was due only in part to the depreciation of the Peruvian sol in relation to the United States dollar and more to the increased price paid for imports during wartime and the added value obtainable for Peru's export products. The average value of the sol was 3.96 soles per United States dollar in 1937; it had fallen to 4.47 soles in 1938, while since 1940 it has been 6.50 soles per dollar.

Even in pre-war years the United States was the principal supplier of merchandise to Peru. Germany, the United Kingdom, and the Argentine followed in importance. The same countries were the principal destinations for Peru's exports, but usually in different order, the United States taking first place, the United Kingdom second, followed by Germany and the Argentine.

In 1944 the United States was far and away the chief source of Peru's imports (277 million soles out of the total of 514 million), followed by Argentina (93 million soles), Chile (27), Australia (20.6), Brazil (19.7); with lesser amounts from Ecuador (16), Great Britain (13.6), British India (12), Switzerland (10), and Canada (8.9 million soles). In the case of exports from Peru in 1944 the United States was the principal destination, taking 200 million of the total of 547 million soles. Chile was next with 129 million and ships' stores accounted for 43 million soles. The following countries received lesser, but important, shares of Peruvian exports: Bolivia (36 million soles), United Kingdom (19.1), Mexico (18.7), Colombia (17.3), Uruguay (15.8), Argentina (15.5), and Ecuador (14.2 million soles).

Tables I and II picture the movement of Peruvian trade with the chief

TABLE I

Imports by Principal Countries in 1937, 1938, 1943 and 1944

	1937	1938	1943	1944
		Millions of Soles		
Argentina	19.0	15.9	62.6	93.1
Brazil .....	...	...	35.6	19.7
Canada	5.3	4.9	6.3	8.9
Cuba .....	...	...	...	1.9
Chile	4.8	5.2	23.5	27.2
Ecuador	1.0	4.2	5.0	16.0
United States	83.3	89.2	253.5	277.2
Mexico .....	...	...	4.5	2.6
Nicaragua .....	...	...	1.3	1.1
Uruguay .....	...	...	...	1.8
British India	5.0	4.4	10.0	12.0
Great Britain	24.1	26.3	26.9	13.6
Sweden	2.1	2.9	...	2.5
Switzerland	2.9	3.5	6.0	10.0
Australia	1.3	...	7.5	20.6
Germany	46.2	52.8	...	...
Belgium	5.8	7.2	...	...
Czechoslovakia	1.9	2.7	...	...
France	4.8	6.9	...	...
Holland	3.8	5.2	...	...
Italy	4.2	6.6	...	...
Japan	8.1	8.6	...	...
Norway	1.2	1.2	...	...
Siam	1.3	3.0	...	...
Others	9.1	9.4	6.6	6.2
Total	235.2	260.1	449.3	514.4

TABLE II

Exports by Principal Countries in 1937, 1938, 1943 and 1944

	1937	1938	1943	1944
		Millions of Soles		
Germany	49.9	36.0	...	...
Argentina	18.5	26.6	7.6	15.5
Aruba	7.7	8.0	...	...
Belgium	12.8	12.8	...	...
Bolivia	4.7	4.3	19.3	36.0
Brazil	3.0	6.6	7.2	8.5
Canada	26.4	16.7	...	0.1
Chile	22.0	20.6	103.0	129.4
Denmark	2.1	1.6	...	...
Salvador	1.4	1.2	2.3	2.3
United States	81.0	91.7	195.5	199.5
France	26.6	21.8	...	...
Great Britain	83.1	68.4	42.8	19.1
Holland	4.2	3.7	...	...
Hong Kong	1.5	...	...	...
Ireland	1.7	1.5	...	...
Italy	2.3	...	...	...
Japan	3.8	2.0	...	...
Uruguay	1.8	7.2	14.4	15.8
Norway .....	...	1.0	...	...
Sweden .....	...	1.9	1.0	...
Colombia .....	...	...	6.0	17.3
Costa Rica .....	...	...	1.8	1.1
Cuba .....	...	...	4.3	3.8
Ecuador .....	...	...	3.2	14.2
Mexico .....	...	...	1.5	18.7
Nicaragua .....	...	...	1.1	...
Panama .....	...	...	2.4	3.0
Canal Zone .....	...	...	6.6	2.3
Australia .....	...	...	24.6	3.7
New Zealand .....	...	...	8.8	3.1
Paraguay .....	...	...	...	1.6
Venezuela .....	...	...	...	2.9
Spain .....	...	...	...	2.2
Others	10.9	8.5	6.9	47.2*
Total	365.4	342.1	460.3	547.3

* Of this amount 43.5 millions were petroleum derivatives delivered directly to ships.

supplying and purchasing countries in four type years, two prior to the war and two during hostilities, indicating the difference in direction of Peruvian trade brought about by war factors and the alternative shares taken and accepted by other countries in dealings with Peru. In general they reflect the swing from large shipments to and imports from European lands over to an intensification of inter-American commerce, particularly with contiguous countries.

IMPORTS

Table III shows values of the principal commodities imported in the four years used for comparative purposes, only those products whose value exceeded 2,500,000 soles in any of the four years being included.

Foodstuffs accounted for more than 21 per cent of imports in 1944 and are the most important group of commodities brought into the country. These are followed by arrivals of machinery, tools and vehicles, which as a group form about 18 per cent. Metals and jewels account for another 10 per cent, while next, at about 8 per cent, are imports of chemical, pharmaceutical, and biological products. These main groups are followed by barks, colourings, non-edible oils and gums, 7 per cent; and paper, cardboard, and stationery, 5 per cent. These groups of items therefore make up nearly 70 per cent of all Peru's imports and account for the main proportion of arrivals.

In 1937, the machinery group held first place at 22 per cent; foodstuffs

TABLE III

Imports by Principal Commodities in 1937, 1938, 1943 and 1944

	1937	1938	1943	1944
		Millions of Soles		
Wheat	22.8	15.1	20.3	44.8
Machinery, except agricultural and mining.....	7.4	10.7	13.6	19.6
Rice, husked	2.1	6.5	1.6	18.4
Spare parts for all kinds of machinery	6.9	8.1	16.7	17.7
Lard, pure .....	....	0.1	3.5	14.7
Common wood, Oregon pine, white pine, etc.....	4.7	5.3	6.6	10.4
Steel and iron, drawn into sheet, etc.....	4.8	4.4	9.4	9.6
Pipes and tubes, other than cast iron	4.5	3.8	5.5	9.0
Empty bags for packing, new or used.....	4.2	3.3	7.4	8.8
Motor lorries and chassis therefor	7.0	7.7	2.1	8.0
Agricultural fertilizers	3.5	1.8	10.0	7.1
Agricultural and mining machinery	5.1	6.9	7.1	6.3
Tires for bicycles and motor vehicles	2.3	2.8	11.4	5.9
Rails and accessories, including switches.....	1.2	1.4	0.9	5.7
Spare parts for motor vehicles	2.1	2.5	4.0	5.5
Petroleum oils used as lubricants in receptacles of over 15 kilos	1.2	1.6	4.4	5.4
Instruments and tools not specially mentioned for agriculture	1.5	1.9	2.6	5.0
Silk yarn, on cones	1.9	2.1	5.5	4.8
Hides or skins with the hair on, dry salted or green salted .....	....	....	1.7	4.5
Colourings derived from coal tar	1.3	1.4	4.8	4.4
Aircraft, including accessories and spare parts....	2.4	2.6	8.1	4.2
Newsprint	1.6	1.2	2.4	4.2
Barley, toasted or germinated	0.8	0.8	2.2	4.2
Flour of wheat	0.4	0.5	0.6	3.8
Tissues of wool of more than 16 threads.....	1.0	1.4	4.3	3.7
Printed books and pamphlets, bound in paper, cardboard, etc.	0.1	0.2	2.4	3.5
Dynamite and similar explosives	1.9	2.4	3.7	3.6
Meat, fresh or dried, preserved in any way.....	0.1	0.1	1.3	3.1
Cranes of all kinds	0.2	0.3	1.0	2.9
Wood pulp, or pulp of other material for the manufacture of paper	0.1	....	2.6	2.7
Paraffine wax, industrial, in paste or whole.....	1.6	1.3	0.8	2.5
Instruments and tools, for arts and crafts.....	1.0	1.2	2.7	2.5
Iron and steel wire, over $\frac{1}{2}$ mm. in diameter, for baling	0.7	0.9	1.7	2.5
Cotton string on reels or tubes, for tying parcels..	1.4	0.8	8.4	2.3
Preserves of meat, including pork butchers' supplies,				

Imports by Principal Commodities 1937, 1938, 1943 and 1944—Con.

	1937	1938 Millions of Soles	1943	1944
ham, etc.	0.5	0.7	3.3	1.8
Tin plate, plain, neither painted nor varnished....	2.5	3.0	2.0	1.7
Lead oxide (litharge) .....	....	....	9.4	1.6
Milk, whole, evaporated or condensed or in powder form	2.5	3.2	0.9	1.6
Tissues, unbleached or sarplier, of any weight, up to 10 threads in warp and weft	0.6	0.5	2.9	1.5
Insecticides and fungicides	0.7	1.0	3.2	1.5
Cotton tissues, dyed, having up to 40 threads and weighing 70 to 200 grammes per sq. m.	2.2	2.6	3.0	0.9
Cotton thread, mercerized, not specially mentioned..	0.2	0.2	2.9	0.6
Caustic soda	0.2	0.3	2.9	0.2
Motor vehicles, town or touring	6.5	6.2	....	....

were next at 16; then metals and jewels at 13; cottons at nearly 7; barks, colourings, etc., at less than 6; chemicals and pharmaceuticals at more than 5 per cent. Thus the first 70 per cent of Peru's pre-war imports had a somewhat different composition, although the same three principal groups were found in the leading places.

EXPORTS

The list of Peruvian exports is more condensed than that of imports, with

agricultural and mineral, including petroleum, products predominant.

In 1937 minerals, including petroleum and its derivatives, took first place, accounting for 57.5 per cent of all exports. Next in order were vegetable products, mainly cotton and sugar, at 35.5 per cent; and animal products, principally wool, at 6.1 per cent.

In 1944 sugar was the leading export product, with petroleum derivatives, copper, and cotton following in

TABLE IV

Exports by Principal Commodities in 1937, 1938, 1943 and 1944

	1937	1938 Millions of Soles	1943	1944
Sugar	31.0	24.0	74.5	168.1
Petroleum derivatives	37.0	42.0	101.7	90.0
Copper in bars with gold and silver	50.0	57.0	70.5	60.6
Cotton	88.0	60.0	69.4	60.1
Lead in bars	4.5	4.9	12.6	34.2
Mineral concentrates	15.0	14.0	27.4	32.6
Wool	16.0	11.0	16.0	17.7
Gold in bars of less than 0.850 with silver.....	6.0	11.0	23.6	12.7
Flax .....	....	....	14.1	8.5
Bismuth in bars, refined	0.5	1.5	6.0	5.6
Barbasco or cube, raw or in powder	0.7	0.6	2.9	7.6
Elastic gums and balata	0.4	0.3	2.8	4.6
Silverware .....	....	....	3.1	3.6
Skins and hides, raw and manufactured articles thereof	5.3	3.1	2.3	3.5
Fish, fresh, salted and preserved .....	....	....	2.3	3.2
White arsenic in powder .....	....	....	0.2	2.3
Raw minerals	8.0	10.0	5.4	2.1
Pure silver in bars .....	....	....	1.5	2.0
Coffee	1.8	1.7	0.5	1.9
Crude petroleum	83.0	73.0	2.3	1.7
Cotton thread .....	....	....	....	1.5
Cotton textiles .....	....	....	....	1.4
Cinchona .....	....	....	0.1	1.3
Zinc in bars, refined .....	....	....	1.0	1.2
Coal .....	....	....	1.4	0.4
Antimony in bars with lead and silver.....	....	....	1.2	0.3
Ordinary wrapping paper .....	....	....	1.2	0.9
Gold in bars, of more than 0.850 with silver.....	0.6	6.4	1.0	0.2
Cotton derivatives	5.0	4.0	0.2	0.3
Guano	0.3	2.8	....	....
Cyanide of gold and silver	0.9	1.6	....	....
Silver in bars, of less than 0.850 with gold.....	0.8	2.8	0.8	0.6
Total of above items	354.8	331.7	446.0	530.7

the order named. By groups, vegetable products at 47.7 per cent slightly exceeded mineral products at 45.2 per cent, and these two thus accounted for nearly 93 per cent of all exports. Animal products stood at 4.6 per cent.

Table IV gives the value of main shipments from Peru in the four years reviewed in this report, all products whose export value exceeded 1,000,000 soles (\$170,000) in any year being included. The figures in this table reflect the abnormal demand brought about by war circumstances for certain products like sugar, petroleum and minerals and also reveal the emergence of new Peruvian exports on the inter-

national market, such as barbasco and manufactured silverware in quantity.

Peru is dependent to a large extent on the international price ranges for the fixing of the values of export goods, but does not have to rely solely on the sale price of one commodity since there are sugar, cotton, wool, petroleum, and minerals to offer in large quantities. Attempts are being made to broaden the bases of export trade still further by the development of additional natural products and the encouragement of industrialization within the country.

Note.—A second instalment of this report, dealing with Peru's trade with Canada, will appear in the next issue.

FOREIGN TRADE OF INDIA, APRIL-SEPTEMBER, 1945

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

(One rupee equals approximately \$0.335 Canadian)

Returns of India's foreign trade during the first six months of the current Indian fiscal year have just been released. These data are still issued only in summary form, but even so they are of considerable interest as indicating the more important trends in the country's early postwar trade and as supplying some grounds for estimates of future developments.

Total Trade

The combined value of import and export trade during the April-September period was Rs.2,332,427,377. This figure is considerably in excess of the corresponding total for the same period of 1944, which was Rs.2,083,104,205. Deducting the value of re-export trade the respective totals of imports and exports of Indian merchandise were Rs.2,252,483,276 and Rs.2,032,128,946.

The increase in the 1945 total was due to a substantial gain in import values, amounting to Rs.300,000,000, as compared with a decline in total exports of Rs.46,000,000.

BALANCE OF TRADE

Whereas India's foreign trade for many years has been featured by a

very large favourable balance, this has now given way in unmistakable degree to a pronounced swing in the reverse direction. As between the total value of imports and the value of exports of Indian merchandise, a favourable balance of Rs.410,593,947 during April-September, 1943, declined to Rs.158,893,978 for the like period in 1944 and this, in turn, has been replaced by an adverse balance of Rs.131,728,195 during the period under review.

This alteration in the trade balance has resulted primarily from the progressive increase in import values while those of exports have remained practically stationary. Imports during April-September of this year, for example, have been considerably in excess of 1944 figures, as already noted, and are two and a half times as large as in 1943.

Import Trade

IMPORTS BY COUNTRIES

Import trade, classified by countries of origin, has shown substantial increases for the United States and the United Kingdom, while smaller increases have been recorded for Iran, Bahrein, Canada, and Egypt. There

were decreases in the value of purchases from Kenya, Australia, South Africa, and Ceylon. Values of imports from principal supplying countries are shown in the following table:—

Imports by Principal Countries

	April-September 1944	1945
	Thousands of Rupees	
United States	176,170	408,080
Iran	261,818	268,718
United Kingdom	186,432	249,512
Egypt	97,385	103,611
Australia	42,246	40,910
Kenya	55,526	36,122
Bahrein	12,835	29,852
Canada	14,961	23,617
Ceylon	15,213	14,401
South Africa	17,049	12,726

IMPORTS BY COMMODITIES

The large increase in the value of India's recent imports has been mainly due to increased purchases of mineral oils and of a variety of machinery and other industrial equipment. Imports of mineral oils, which have for some time been the most important single item in the trade, were valued during the period at Rs.490,324,298, an increase of Rs.137,789,303 over the previous year's figure. Substantial increases have also been recorded for machinery, motor vehicles, iron and steel and their manufactures, paper, electric materials, non-ferrous metals, and a variety of non-metallic mining and quarry products. The only instance in which a decline of any importance was recorded was for raw and waste cotton.

Values of the principal commodities imported are shown in the following table:—

Imports by Principal Commodities

	April-September 1944	1945
	Thousands of Rupees	
Oils	252,535	490,324
Raw and waste cotton	149,634	120,869
Machinery	71,949	104,883
Grains	41,346	45,490
Chemicals and medicines	52,696	45,435
Dyes	35,123	41,875
Iron and steel and manufactures	16,924	41,285
Non-metallic mining products	23,747	35,472
Motor vehicles	6,832	31,442
Paper and stationery	13,269	29,321

Export Trade

EXPORTS BY COUNTRIES

The decrease of some Rs.75,000,000 in export values, as between April-September, 1944, and 1945, was due for the most part to smaller values for shipments to the United Kingdom, South Africa, Anglo-Egyptian Sudan, Australia and Iran. The only important increase was in exports to the United States.

Values by principal countries were as follows:—

Exports by Principal Countries

	April-September 1944	1945
	Thousands of Rupees	
United Kingdom ...	306,649	287,471
United States	216,203	250,580
Ceylon	98,203	91,576
Australia	62,323	44,047
South Africa	74,606	40,267
Canada	29,127	29,748
Egypt	23,064	17,846
Aden	22,237	17,571
Iraq	11,045	13,274
Kenya	21,142	12,740

EXPORTS BY COMMODITIES

India's recent export trade has been characterized by wide fluctuations in the values of commodities. There were substantial increases in the value of shipments of raw jute, grains, raw wool, fruits and vegetables, spices and seeds. These were more than offset by heavy declines in exports of cotton and jute manufactures, tea, non-metallic minerals, gums, leather, iron and steel goods and raw skins. The trade appears to reflect a decline in overseas demand for some goods for use in the production of war materials and the general effects of the expected and actual reversion to peacetime economy.

The following table shows values by main commodities for the two half-year periods of 1944 and 1945:—

Exports by Principal Commodities

	April-September 1944	1945
	Thousands of Rupees	
Jute manufactures ..	328,798	282,980
Tea	166,917	146,653
Cotton manufactures.	223,398	138,176
Raw jute	33,242	55,631
Raw cotton	55,493	54,712
Seeds	45,271	51,806
Fruits and vegetables	14,772	28,876
Raw wool	9,685	25,439
Grains	1,605	20,023
Gums	27,635	19,833

Trade with Canada

India's imports from Canada during the April-September period of 1945 showed a substantial increase over the corresponding period of 1944 and exports to Canada a small increase. The visible balance in India's favour for the period under review stood at only Rs.6,130,955 as against over Rs.14,000,000 in the corresponding months of 1944.

It is of interest to note the great expansion in the value of India's imports of Canadian goods in comparison with those of pre-war years. From

1934 to 1938 the average annual value of the trade was slightly over Rs.8,000,000. During April-September, 1945, it amounted to Rs.23,616,677 which, on an annual basis, represents a six-fold increase. The current totals include large amounts for imports such as wheat, railway locomotives and rolling stock, and a variety of industrial materials.

In the case of Indian exports to Canada current figures show an increase of something over 100 per cent as compared with the pre-war period. This is due largely to increased prices rather than quantities.

BUSINESS CONDITIONS IN SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

Shipbuilding

The Clyde continues to hold the leading place in the United Kingdom in the construction of merchant ships. It is estimated that about 30 per cent of the tonnage now being built in this country is in Clyde yards, which have in hand 109 vessels of 458,000 tons gross, and, consequently, many shipbuilding firms have heavy programs of work before them. On the East Coast of Scotland, 34 merchant ships, of 88,000 tons gross, are being built at the various ports.

There is still a shortage of certain classes of skilled labour, especially electricians, joiners and plumbers. Such men in the finishing trades are now all the more urgently required, since some of the larger shipyards on the Clyde have a fair number of high-class passenger liners under construction.

Industrial Development

Industrial development in Scotland during the past few months has been mainly in connection with the establishment of new industrial estates, the first of which was established in Hillington (in the Glasgow area) some

years before the war. A few days ago, Sir Stephen Bilsland, Bart, Chairman of Scottish Industrial Estates, Limited, said he felt sure that Hillington would be full before very long and he based this opinion on the number of inquiries being received at the present time.

Developments are taking place at ten other industrial estates throughout Scotland, but erection of new factories is being held up owing to the difficulty of securing adequate supplies of labour and materials in the building trades. There is said to be a great shortage of factory space. To meet present demands for factories a total floor space of over 1,500,000 square feet would be required. The British Board of Trade has issued licences for the erection of 21 new factories in these development areas.

All this development is in accordance with the long recognized need to balance the heavy industries (coal, steel, shipbuilding and heavy engineering), which are in a dominant position, especially in the Glasgow and Clyde area, with light industries which heretofore have been mainly concentrated in London, Birmingham and other areas in the South.

Future of Coal

The British coal industry, which perhaps for generations has been the most troubled industry in this country, is to be nationalized in accordance with the policy of the new Labour Government. Presiding at the annual luncheon of the Institute of Fuel in London recently, Dr. E. W. Smith remarked that what mattered was not who owned an industry, but who ran it; if management and technicians were efficient, the country would come out on top. The Minister of Fuel and Power said on the same occasion that it was never the intention to entrust the coal industry or any other industry to the Civil Service. He had great admiration for civil servants, but the Government must use all the business ability available to run the mining industry—and perhaps cognate industries at a later stage—on efficient and national lines. The hope of cheaper coal in the future would depend upon the work of scientists and technologists. There was a vast fund of knowledge in this country about coal, but the difficulty had been its application. The Minister (Mr. Shinwell) described the country's fuel industry, with its kindred organizations of gas, electricity, and oil, as the very foundation of Britain's industrial prosperity.

In the meantime, it is reported that the coal outlook in Britain, though still serious, appears to be more promising than for a long time past. Indeed, the absence of any references in the daily press very recently to troubles in the coalfields, or to any great scarcity of coal, is in itself reassuring. And this is given official endorsement by the Minister of Fuel and Power, who, speaking at Durham, gave more encouraging news of production and its upward trend and stated that the output per manshift was higher. A new campaign for greater output started on

November 1, and he hoped that it would have more generous support from the coalfields than that experienced in previous drives.

Until recently the prospects for the winter for the people of this country looked very bleak indeed. It is still too early, however, to say that those prospects were too gloomy. Colliery-owners are co-operating for an increased output of coal, but they are naturally concerned about the future of their properties and the compensation which will be offered by the Government.

Possible Clyde Estuary Development

The Clyde Estuary Committee, which was set up in August, 1944, by the Ministry of War Transport after consultation with the Secretary of State for Scotland, has now issued its report. It states that the Clyde requires additional dry-dock facilities for the largest type of vessel, adding: "It is anomalous that such vessels (as the *Queen Mary* and *Queen Elizabeth*) should be built on the Clyde but never be able to return to the Clyde for periodical repairs, for the execution of which there are in other respects available such ample facilities."

The report also recommends a Clyde Port Authority to replace the present 9 major and 17 minor port and pilotage authorities in the river and upper estuary. This new authority would be charged with the duty of maintaining, improving and developing the river and estuary and their navigational potentialities in the general interest of the West of Scotland and of the country as a whole. The report has met with a favourable reception in many quarters, including the Chairman and General Manager of the Clyde Navigation Trustees, and the Lord Provost of Glasgow, who still holds the office of Regional Port Director for Scotland.

ECONOMIC, TRADE AND PRODUCTION NOTES

Brazil

IRON AND STEEL IMPORTS

Imports of iron and steel in primary and manufactured form into Brazil during the first quarter of 1945 were valued at 133,000,000 cruzeiros, representing 7.2 per cent of the value of all Brazilian imports during the quarter. The figure for 1945 was 15.6 per cent larger than that for the corresponding period of 1944.

POSSIBLE MACHINERY PURCHASES BY TEXTILE INDUSTRY

Unofficial estimates of possible purchases of machinery for the re-equipment and modernization of the textile industry of Sao Paulo, Brazil, have been placed at about \$25,000,000. With a view to obtaining this business, a large volume of advertisements are reported to have been placed in Brazilian trade journals by foreign manufacturers.

CHEMICALS

Ceylon's imports of chemicals and allied products, excluding drugs, dyes, and paints, declined in quantity but increased in value during the second quarter of 1945 as compared with the first. They amounted to 8,792 hundredweights valued at approximately \$128,950.

Colombia

THE COFFEE MARKET

Colombia Coffee Federation statistics show that for the quota year October 1, 1944, to September 30, 1945, exports of coffee totalled 5,185,517 sacks (of 60 kilograms), exceeding the previous year by 358,000 sacks. The 1944-45 exports were valued in excess of 177,000,000 pesos.

VALUE OF IMPORT LICENCES, OCTOBER, 1945

Import licences issued in Colombia in October, 1945, had a total value of \$16,200,000 as compared with \$18,700,000 in September. Eighty per cent of

the total, or \$12,900,000, was for the importation of goods from the United States, followed in order by Argentina with \$708,000; the United Kingdom, \$588,000; Peru, \$535,000; Switzerland, \$391,000; and Canada, \$251,000. For the ten months ended October 31, 1945, import licences granted totalled \$214,000,000 as compared with \$172,000,000 for the corresponding period of 1944, and \$93,000,000 for that of 1943. Export licences granted up to October 31, 1945, totalled \$98,000,000.

CONSTRUCTION PROJECTS

Plans are reported to have been prepared or to be under consideration for the construction of a three-story warehouse to cover an area of approximately 7,000 square meters and for a number of large office buildings in Bogota.

In Barranquilla the figures for building permits indicate a trend from housing to commercial construction. The value of permits issued during the three months ended August, 1945, totalled \$1,589,338 as compared with \$1,211,495 during the preceding three months.

It is proposed to increase the capacity of the port of Cartagena by approximately 14,000 tons by the construction of two new warehouses.

France

SUPPLY OF FATS

Fats available in France during 1945 have totalled about 13 per cent of the prewar consumption. These supplies have included grapeseed oil (about 350 tons a month), some imported palm oil, and some tallow, reports the foreign press.

India

TRANSPORT AND COMMUNICATIONS

Madras has proposed a plan to create a Highways Department which will assume the responsibility for the construction and maintenance of the major portion of the roads and ferries of the Province.

The scheme will require 15 years to complete. Provision is made for the upgrading of more than 27,000 miles of existing roads, for the improvement of 8,800 miles of village roads, and the construction of about 20,000 miles of new roads of all classes and more than 1,000 bridges.

BUSINESS ACTIVITY

An index of activity in Indian trade and industry indicates a substantial upward trend subsequent to the end of the war with Japan and may be taken to portend further improvement in domestic commerce. Pig iron and steel production have shown marked advances during recent months and there have been increases also in the volume of traffic handled by the railways and river services, in clearing-house transactions and in the value of foreign trade. These more than counteracted small declines in cotton consumption and the volume of jute manufactures.

ESTABLISHMENT OF TARIFF BOARD

The Indian Government has recently set up a tariff board to investigate and report on tariff protection for new and projected industries, reports the Canadian Trade Commissioner at Bombay. This action is in line with the Government's undertaking to assist industries established during the war and such new ventures as may require tariff protection in their initial stages. It is premature as yet to assess the extent to which tariff or similar protection may be given to new industrial undertakings but interesting nevertheless to note that, in addition to consideration of the merits of individual applications, due attention will be paid to the value of such enterprises to the national economy as well as to the effect of tariff protection on the position of the local consumer of the goods involved. It has been estimated that governmental assistance to deserving industries in the form of tariff protection will generally apply for a maximum period of three years.

DOMESTIC CONTROLS

A considerable number of domestic controls enforced by the central and provincial governments during the war have already been relaxed or rescinded with a view to the earliest possible reversion to pre-war conditions. It appears, however, that in such instances as grains, cloth, petrol and several other commodities rationing must be continued for some time, in order to enable an equitable distribution of available supplies. In the same way, while the market is short of stocks of many goods, price control must be maintained for the protection of the average consumer. Current trends are, however, in the right direction and the gradual disappearance of wartime restrictions should not be very far distant.

Mexico

CONTROL OF INVESTMENT

The President of the Republic, on November 6, 1945, submitted to the Chamber of Deputies a proposed bill to control foreign investment and participation by foreigners in the economy of Mexico. The proposed legislation follows rather closely that contained in the decree law of June 29, 1944, but with the addition that, after receipt of the draft law by the Chamber of Deputies, finance and commerce are included in the businesses subject to the bill's provisions. When presented to the Chamber of Deputies the proposed bill listed the following activities: industry, agriculture, live-stock raising, timber exploitation, the purchase and sale of fixed property, real estate development, or the acquisition of shares or interests of firms engaged in the foregoing activities, as well as the acquisition of control over land, waters, or tributaries, mining concessions, and mineral fuel oils.

Briefly, the bill proposes that all foreigners or Mexican firms, which have or may have foreign members or which may issue shares of stock to foreigners, must obtain a permit from the Ministry of Foreign Relations to

engage in any of the designated occupations. The permit also will be required by industries and firms already established whenever capital is increased or urban or rural real estate is purchased. There is reported to be considerable public support for this proposed legislation.

PUBLIC WORKS AND HOUSING PLANS

The President of Mexico recently announced that the Government will spend 300,000,000 pesos in the construction of new highways; also that an all-Mexican ship company is being established, with 50 per cent of the stock subscribed by the Government and 50 per cent by Mexican investors.

Construction of a new shipyard at Veracruz is expected to be completed within a year, according to *Foreign Commerce Weekly*, and an appropriation of 50,000,000 pesos has been approved for the purpose of modernizing the ports of Veracruz, Acapulco, and Alvaro Obregon, and of improving shipyards at Acapulco and Manzanillo.

The Government of the Federal District is studying a plan to construct 5,000 moderately priced homes at a total cost of approximately 40,000,000 pesos. The fund for this construction project probably will consist of contributions from the Social Insurance Institute, the Banco Hipotecario, the Department of Pensions, and possibly increased taxes on luxury articles.

Newfoundland

IMPORTS FROM CANADA HIGHER IN 1944-45

Figures of Newfoundland's trade by countries in the fiscal year ended March 31, 1945, recently issued by the Secretary for Customs, show imports from Canada valued at \$43,034,879 as compared with \$41,483,171 in the previous fiscal year, reports the Canadian Trade Commissioner at St. John's. On the other hand, Newfoundland's exports to Canada declined to \$7,388,178 from \$8,516,044 in the fiscal year 1943-44.

Imports from the United States were also higher at \$19,362,642 as compared with \$18,110,312, and exports to the United States slightly lower at \$13,988,814 as against \$14,002,689. Shipments to the United Kingdom, however, rose from \$11,460,594 to \$12,098,103, while imports from the United Kingdom likewise advanced from \$2,039,041 to \$2,088,003.

Both imports at \$65,824,066 and exports at \$48,711,980 were the highest on record. The import total, it should be noted, includes importations by or for the armed forces.

New Zealand

MEAT FREEZING AND PRESERVING

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, reports that the statistics of the meat-freezing and preserving industry for the year 1943-44 indicate activity maintained almost on a level with the previous record year. The mean period covered is now, however, later in relation to the calendar year by some months than previously. This is the result of efforts made to secure greater uniformity in this regard throughout the returns made by the various works. September 30 has been adopted in preference to March 31 as the standard closing date, and the figures now presented are compiled from returns covering as nearly as possible the 1943-44 production year.

The monthly average number of persons engaged in this industry (10,186) was 49, or 0.5 per cent, more than in 1942-43. The total salaries and wages paid amounted to £3,818,619, being £20,642, or 0.5 per cent, less than in 1942-43. The cost of materials used and the value of products decreased by 0.04 per cent and 1 per cent respectively. Added value declined from £6,522,442 in 1942-43 to £6,225,468 in 1943-44, or by 4.6 per cent, while other expenses rose by 5.4 per cent.

The most noteworthy increases recorded for 1943-44 as compared with 1942-43 are (in order of absolute

values): mutton carcasses, 22.9 per cent in number and 22.2 per cent in value; wool, 5.9 per cent in quantity and 13 per cent in value; pork, 6.3 per cent in quantity and 7.9 per cent in value. Decreases are recorded for: frozen beef, 17 per cent in quantity and 16.8 per cent in value; tallow, 37.6 per cent in quantity and 38.3 per cent in value; lamb carcasses, 3.7 per cent in number and 2.5 per cent in value; boned mutton and mutton and lamb pieces, 57.7 per cent in quantity and 68.4 per cent in value; pelts, 0.6 per cent in number and 6.7 per cent in value; preserved meats, 17.4 per cent in quantity and 1.9 per cent in value; and hides, 7.1 per cent in quantity and 4 per cent in value.

Northern Ireland

BUDGET FOR 1945-46

Mr. E. L. McColl, Canadian Trade Commissioner at Belfast, reports that the Northern Ireland Minister of Finance presented his budget for the year 1945-46 in the House of Commons on November 21. Total expenditure is estimated at £21,785,000, and provision is made for an Imperial contribution of £34,500,000, leaving a surplus of £215,000 out of the estimated total revenue of £56,500,000.

Transferred tax revenue is expected to produce £2,905,000, an increase of £251,634 on last year's figure. This advance is attributed principally to motor-vehicle duties. Receipts from reserved revenue, after allowing for the reduction in purchase tax, are estimated at £50,283,000, and the addition of miscellaneous items (including new land purchase annuities and local loans repayments) bring the total expected from all sources up to £56,500,000.

The total expenditure is estimated at £21,785,000, of which the largest item is £16,853,000 for supply services, with provision for further supplementary estimates amounting to £300,000. The outlay on consolidated fund services is estimated at £1,115,000, reserved services are expected to cost £2,958,000, and the total is reached by the inclusion of miscellaneous items

amounting to £559,000. The provision of an Imperial contribution of £34,500,000 compares with a figure of £35,000,000 for 1944-45, £31,800,000 for 1943-44, and £21,300,000 in 1942-43.

Philippines

PREFABRICATED HOUSES

There may be a market for prefabricated houses in the Philippines where some 1,000,000 dwellings have been destroyed by the ravages of war, it is reported in *Foreign Commerce Weekly*. Bamboo, the pre-war mainstay for building, was used to such an extent by the Japanese that there is now very little to be found. Alterations in the manufacture of this product would have to be made to suit the nature of the country and the people.

Philippine houses are built two meters above the ground. An overhanging roof is essential to offset the heavy rains and the extreme brilliance of the sun. The accepted roofing material is corrugated iron or cement-asbestos.

A light, strongly braced, weather-proofed steel frame, it is suggested, may be satisfactory and folding walls or venetian blinds sufficiently strong to withstand the wind and rain could be used. Conventional doors and windows are not necessary if the walls can be opened. It is also suggested that the floor and partitions be made of weatherproofed plywood. Stairs might be ladderlike and of steel or processed wood. Screens are not necessary, as the natives feel that they interfere with the circulation of air and tend to keep out the light.

United Kingdom

OVERSEAS TRADE

Mr. H. L. E. Priestman, the Canadian Trade Commissioner in London, writes that the Board of Trade statistics of United Kingdom overseas trade for the period January-September, 1945, which have recently been published, do not yet reflect any recovery

in exports, which are in fact moving somewhat erratically. There has, however, been an improvement in the visible adverse balance of trade.

In the month of September the value of exports totalled £29,600,000 as compared with £36,500,000 for the previous month and £23,100,000 for September, 1944. On a quarterly basis the value of United Kingdom exports in the third quarter of 1945 amounted to £99,000,000 as against £71,000,000 for the first quarter and £102,000,000 for the second. The apparent decline is explained by the exceptionally heavy shipments of relief goods to Europe during the earlier part of the year. Allowing for changes in value, the volume figure for total exports was essentially the same in the June-September period as in the second quarter (46 per cent as against 47 per cent of the volume in 1938).

As regards imports, the value for the third quarter of 1945 averaged £91,000,000 a month, or £9,000,000 below the monthly average for the first half of the year. Retained imports were one-fifth higher than in 1938 but, allowing for the rise in average values, the volume of retained imports was lower by two-fifths.

The termination of the Lend-Lease agreement at the beginning of Septem-

ber did not result in any significant change in the proportion of the total value of retained imports under Lend-Lease and Mutual Aid arrangements, the proportion in the third quarter being rather less than one-third.

United Kingdom exports to Canada during the nine months ended September, 1945, were valued at £18,038,000 as compared with £15,255,000 for the same period of 1944 and £16,897,000 for the corresponding months of 1938. Imports from Canada were valued at £157,000,000 up to September this year, and at £156,681,000 and £59,031,000 for the equivalent periods of 1944 and 1938 respectively.

Turkey

NEW PORT UNDER CONSTRUCTION

Work began in August on the first stage in the development of the new port of Eregli, which it is planned to join by a railroad some 20 kilometers in length with the mines at Kandilli and probably with Kozlu. Some \$10,000,000 is being set aside for this first stage, which includes construction of a main breakwater 775 meters long and a pier 250 meters long and 100 meters wide for coal storage and loading. It is expected to be completed by 1950.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela; and Mr. R. G. C. Smith, recently appointed to succeed Mr. J. L.

Mutter as Canadian Trade Commissioner at Havana, Cuba (territory includes Haiti, the Dominican Republic and Puerto Rico). Their itineraries as presently arranged are as follows:—

Mr. Palmer

Vancouver	Jan. 14 to 18
Victoria	Jan. 19 and 21
Vancouver	Jan. 22 to 26
Ottawa	Jan. 29 to Feb. 4

Mr. Bissett

Victoria	Jan. 14
Toronto, including Gravenhurst, Leaside, Weston	Jan. 18 to 30
Kitchener, including Galt and Guelph..	Jan. 31

Mr. Smith

Ottawa Jan. 12 to 16

Mr. MacDonald

Edmonton Jan. 14
 Vancouver Jan. 21 to 25
 Victoria Jan. 26 and 28
 Vancouver Jan. 29 to Feb. 1
 Calgary Feb. 4
 Toronto Feb. 9 to 23
 Ottawa Feb. 25 to 27

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Ottawa, with the Department of Trade and Commerce; for Kitchener, with the office of Board of Trade.

CANADA'S EXTERNAL TRADE IN NOVEMBER

The external trade of Canada, excluding gold, was valued at \$383,669,000 in November, recording a decrease of 16·4 per cent from the November, 1944, total of \$459,090,000, according to figures released by the Dominion Bureau of Statistics. For the eleven months ended November the aggregate value was \$4,495,604,000 as against \$4,844,630,000 in the similar period of 1944, a decline of 7·2 per cent.

Reflecting the continued sharp reduction in the export movement of goods classified as war materials, the value of Canada's merchandise export trade fell from \$312,491,000 in November, 1944, to \$238,637,000, or by 23·6 per cent. War materials included were valued at \$44,169,000 in November, 1945, as compared with \$138,564,000. Therefore, after deducting the value of war materials entering into export channels, Canada's merchandise exports rose from \$173,927,000 in November, 1944, to \$194,468,000, an increase of 11·8 per cent for non-war exports.

The same general picture is presented by the cumulative records of Canada's merchandise export trade.

During the eleven months ended November the value of commodities moving to markets abroad was \$2,983,504,000 as compared with \$3,173,074,000 in the corresponding period of 1944, a decrease of 6 per cent. The value of war materials was \$1,118,624,000 as compared with \$1,445,660,000 in the like period of 1944. After eliminating the value of war goods, the export trade of Canada rose to \$1,864,880,000 from \$1,727,414,000 in the comparable period of 1944, or by 8 per cent.

Merchandise imported into Canada in November was valued at \$142,409,000, recording a minor advance over the November, 1944, total of \$141,617,000. During the first eleven months of 1945 the aggregate value of imported commodities was \$1,464,583,000 as compared with \$1,631,682,000 in the similar period of 1944.

Foreign commodities were re-exported to the value of \$2,622,000 as compared with \$4,982,000 in November, 1944, while the total for the eleven month ended November was \$47,516,000 as compared with \$39,875,000 in the same period of 1944.

WORLD WHEAT SITUATION*Monthly Review in Dominion Bureau of Statistics Daily Bulletin*

Although the wheat harvest is becoming quite general in both Argentina and Australia, there appears to be no significant change in the total supplies available for export by the "Big Four". The first official estimate of the Argentine wheat crop places total production

at about 165·7 million bushels as compared with 150·1 million bushels a year ago and the average crop of 240 million bushels for the 10-year period 1932-41. As yet there is no official estimate of Australian wheat production for this year, but latest cabled

advices suggest a crop of approximately 125 million bushels, which, while more than twice as large as the 1944 crop of 51.9 million bushels, is substantially below the 1932-41 average of 162 million bushels.

ARGENTINA

While moisture supplies have been adequate in the major grain-growing areas of Argentina, drought conditions in the western sections have served to provide extremely variable yields ranging all the way from three to 24 bushels per acre. Total supplies of old and new wheat for the coming year are currently estimated at some 215.7 million bushels, about 110 million bushels less than the total supplies available on January 1, 1945.

Domestic disappearance estimates for Argentina in 1946 range up to 125 million bushels or more. That, of course, will depend upon the amount required for live-stock feeding and fuel purposes. Assuming a home consumption of 110 million bushels, supplies available for export and carry-over will be a little over 100 million bushels. Up to the end of November, 1945, approximately 90 million had been exported from Argentina with almost 40 million bushels destined for the United Kingdom and the Continent. In the event that the 1946 wheat requirements of the other South American countries remain at their 1945 level, it is now estimated that some 50 million will be available for Europe during the coming year.

AUSTRALIA

Australian wheat supplies will allow very little for European exports in 1946. A small wheat acreage, combined with irregular rainfall, has resulted in a below-average crop this year. Old wheat stocks have been reduced almost to the vanishing point owing to the extremely small crop in 1944 and the heavy rate of disappearance during the ensuing year. Estimates of domestic consumption in 1946 vary considerably and will depend in large measure upon the size of the live-stock feeding pro-

gram and pasturage conditions. A domestic disappearance of 90 million bushels would leave 45 million bushels for export and carryover in 1946.

CANADA AND UNITED STATES

Contributing almost equal amounts, Canada and the United States are estimated to be in a position to provide about 650 million bushels of wheat for export during the current season. Limitations on the present rate of export from North America seem to be available transportation and loading and unloading facilities.

EUROPE

Reports coming from Europe reveal conditions as being extremely variable. Some areas, particularly France, are in urgent need of moisture and in these instances fall-seeded acreages have been materially reduced. As a result, extensive spring plantings will be necessary in order to meet 1946 acreage goals. Other sections, however, have benefited from timely rains over the past few weeks and crops are entering the winter in good condition.

Although the United Kingdom is urging farmers to grow as much wheat as possible for next year, wheat plantings to date have been disappointing and there is some doubt as to whether the acreage will reach the desired goal next year. One factor which apparently has discouraged many farmers has been the reduction in the wheat acreage bonus for 1946.

ESTIMATED WORLD REQUIREMENTS

In contrast to the estimated supplies of wheat available in each of the four major exporting countries can be placed the United States Department of Agriculture's estimated world wheat requirements of 750 to 800 million bushels. In the event that minimum requirements could be met it is estimated that the volume of international trade would be the largest in 15 years. However, it is questionable whether full requirements can be met.

THE CANADA YEAR BOOK 1945

Publication of the 1945 edition of the Canada Year Book, issued by authority of the Hon. James A. MacKinnon, Minister of Trade and Commerce, was recently announced by the Dominion Bureau of Statistics.

In addition to its regular statistical coverage of Canada's natural resources, population, vital statistics, manufactures, construction, internal and external trade, transportation and communications, prices, public finance, etc., this latest edition continues the policy of giving space to feature articles on subjects of special interest and importance. Among the subjects dealt with in this way are Canada's growth in external status and Canada's part in the relief and rehabilitation of the occupied territories; changes in Canadian

manufacturing production from peace to war; international air conferences; the role of the Wartime Prices and Trade Board in controlling prices, rents and supplies. The regular chapter material has been thoroughly revised as usual to reflect latest development in the period covered.

Cloth bound copies of the Year Book are obtainable at \$2.00 a copy from the King's Printer, Ottawa. By a special concession, a limited number of paper-bound copies have been set aside for sale to bona fide students, teachers and ministers of religion at the nominal price of \$1.00 each: applications for these should be sent to the Dominion Statistician, Ottawa. Remittances in each case should be made payable to the Receiver General of Canada.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

IMPORT LICENSING OF LIVE QUADRUPED ANIMALS

The British Board of Trade, in Notice to Importers No. 172, announce that, with effect from December 19, 1945, they have made the Import of Goods (Control) (No. 2) Order 1945, whereby the importation into the United Kingdom of live quadruped animals is prohibited except under authority of a licence granted by the Import Licensing Department.

The Board has, however, granted an open general licence, also with effect from December 19, for the importation of live quadruped animals consigned from any part of the British Empire. Separate licences for the import of such animals from Empire sources will accordingly be unnecessary under the new Order.

(Admission under open general licence as regards imports from Empire

countries, or grant of a licence as regards other imports, presumably will not obviate the necessity for observance of formalities prescribed by the Diseases of Animals Acts or similar legislation.)

British Guiana

IMPORTATION OF POTATOES

The Controller of Supplies and Prices for British Guiana announced on December 22, 1945, that in order to restrict the quantity of potatoes imported into British Guiana to the quantity allocated for each period and to prevent excessive imports during certain periods, import licences which have expired will not be extended. Shipments arriving subsequent to the period for which licences relate will be deducted from the allocation for the period in which they actually arrive.

Philippines

REGISTRY-NUMBER SYSTEM DISCONTINUED

In accordance with Current Export Bulletin No. 304 of the Department of Commerce, Washington, D.C., the registry-number system has been discontinued. Section I of the Bulletin states:—

"Effective January 1, 1946, the Department of Commerce announces the discontinuance of the registry-number system established for controlling im-

ports into the Philippine Islands, as set forth in Current Export Bulletin No. 277 dated September 13, 1945.

"The prevailing conditions at that time which necessitated the establishment of the registry-number system are now sufficiently improved to make it unnecessary to continue the procedure. Therefore, on and after January 1, 1946, exporters will not be required to obtain registry numbers to cover shipments of commodities destined to the Philippine Islands."

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations	Nominal Quotations
			Dec. 31	Jan. 7
Argentina ..	Peso	Off.	.3290	.3290
		Free	.2724	.2713
Australia ..	Pound		3.5600	3.5600
Belgium and Belgian Empire ..	Franc		....	.0251
Bolivia ..	Boliviano		....	.0263
British West Indies (except Jamaica) ..	Dollar		.9271	.9271
Brazil ..	Cruzeiro	Off.	.0670	.0670
		Free	.0572	.0572
Chile ..	Peso	Off.	.0571	.0571
		Export	.0442	.0442
Colombia ..	Peso		.6296	.6296
Cuba ..	Peso		....	1.1050
Czechoslovakia ..	Koruna		....	.0221
Denmark ..	Krone		....	.2301
Ecuador ..	Sucre		....	.0818
Egypt ..	Pound		4.5700	4.5641
Eire ..	Pound		....	4.4500
Fiji ..	Pound		....	4.0181
Finland ..	Markka		....	.0081
France ..	Franc		....	.0092
French North Africa ..	Franc		....	.0157
French Pacific ..	Franc		....	.0222
Haiti ..	Gourde		....	.2210
Hongkong ..	Dollar		....	.2781
Iceland ..	Krona		....	.1706
India ..	Rupee		.3343	.3337
Iraq ..	Dinar		....	4.4500
Italy ..	Lira		....	.0111
Mexico ..	Peso		.2274	.2274
Netherlands ..	Florin		....	.4162
Netherlands West Indies ..	Florin		....	.5855
New Zealand ..	Pound		3.5780	3.5779
Norway ..	Krone		....	.2225
Palestine ..	Pound		....	4.4500
Peru ..	Sol		....	.1713
Philippines ..	Peso		....	.5525
Portugal ..	Escudo		....	.0445
Spain ..	Peseta		....	.1011
Straits Settlements ..	Dollar		....	.5192
Sweden ..	Krona		....	.2633
Switzerland ..	Franc		....	.2569
Turkey ..	Piastre		....	.0085
Union of South Africa ..	Pound		4.500	4.500
United Kingdom ..	Pound		4.500	4.500
United States ..	Dollar		1.1050	1.1050
Uruguay ..	Peso	Controlled	.7274	.7274
		Uncontrolled	.6220	.6220
Venezuela ..	Bolivar		.3315	.3298

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, Canadian, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Continued*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.

Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

Acting Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.

Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.

Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation to the Netherlands, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.
Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.
Territory includes Ecuador.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

OTTAWA, JANUARY 19, 1946

PROGRESS AND PROBLEMS IN FRANCE

A Review of Economic Conditions

By YVES LAMONTAGNE, *Commercial Secretary, Canadian Embassy at Paris*

As a result of a decree published on December 26, 1945, France has begun the new year with its currency at a new par of exchange, the present rate being 480 francs to the pound sterling; the franc being now worth only eleven-twelfths of one Canadian cent instead of 2·2 cents before the devaluation. In terms of United States currency, one United States dollar now equals 119·107 francs, the former rate being 50 francs.

The new rate has had to be fixed arbitrarily on the basis of a comparison of the cost of living and prices in France and in the two great Anglo-Saxon countries and will encourage French export trade, while also providing foreign exchange to pay for imports. The new parity was announced shortly after the National Assembly had approved two draft laws, the first providing for the ratification of the Bretton Woods agreement and the second for a loan to France by the United States Import-Export Bank to cover imports of essential supplies from the United States.

The 1946 budget, at time of writing before the Assembly, provides for heavier expenditures than in 1945, which are to be covered, however, to the extent of about 61 per cent by revenues from taxation as compared with only 41 per cent in 1945. The increase in receipts during 1946 will be derived mainly from a special levy on enrichment during the war, while revenues from indirect taxes are expected to be considerably larger than in 1945, owing to the upward trend in industry. The general index of industrial production, which stood at 55 in December, 1945 (1938=100), is likely to rise to 75 or more toward the end of 1946.

Imports of raw materials are increasing in volume, and France has achieved a noteworthy feat in stepping up operations in the coal mines to a point where the weekly output has almost reached the average weekly output in 1938. Unfortunately, a large part of the coal supply is required for the production of electrical energy, the output of electricity derived from water-power having been reduced by over one-third in recent months, following a prolonged spell of dry weather. Drastic measures have therefore had to be taken to reduce the use of electricity, and this has resulted in a slowing down in certain branches of production, priorities having been granted to essential industries.

While conditions should show material improvement a few months hence, the present winter is a very trying one for the French people, who have already been through considerable hardships and who had been looking forward to easier conditions this winter than last.

Apart from the scarcity of coal for domestic heating and the daily shutting-off of electric current for several hours at a time, the French are facing a very tight situation in respect of food supplies. The 1945 wheat crop was a dire failure and, as imports have been on a smaller scale than was hoped, bread rationing has been reintroduced as from January 1. The situation as regards meat is giving rise to considerable anxiety, and February is likely to prove a critical month, as farmers have been slaughtering their animals as a result of the shortage of feedstuffs.

Commodities of all kinds remain scarce, and prices have risen materially

during the last six months, largely because of the wage increases granted during 1945. Demands for further increases in wages are not unlikely in the near future, which will add greatly to the difficulties of the Government in checking inflation.

The necessity for increasing output, both in the factories and on the farms, to combat both scarcity and inflation, is being stressed, and every effort is being made by the Government to this end. A Board has been appointed to consider plans for the modernization of production and transportation and for industrial and agricultural re-equipment, calling for the fullest use of the resources of the country.

At the present time about 1,100,000 prisoners of war are working in France in various occupations, and another 200,000 will be available in the near future.

Industry

The upward trend in industry, which had set in during the second half of 1945, was checked toward the end of November as a result of two main factors; one being the slowing up of imports of raw materials as a result of strikes abroad, which held up shipping, and the other being the sharp fall in electrical production, due to a severe drought.

COAL

The weekly output of coal and lignite reached a peak during the week ended December 15, 1945, when 905,000 metric tons were produced, as compared with a weekly average of 915,000 during 1938, the number of miners in the pits having reached a total of 197,717, including 33,991 prisoners of war. The daily yield per miner, however, remains considerably below that of 1938, the average for the week December 2 to 8 being only 1,818 pounds as compared with 2,519 pounds in the corresponding week of 1938. The main reasons for the decrease are deterioration of equipment and a reduction in the efficiency of the miners themselves.

During the month of December last it was planned to distribute 3,535,000 metric tons of coal as follows (thousands of tons): national railways, 750; generation of electricity, 470; gas plants, 325; iron and steel industry, 318; building materials industry, 100; all other industries, 578; domestic heating, 425; ships, ports, fishing industry, 65; allied troops, 77; Switzerland, 35; miscellaneous, 392.

Imports.—Before the war, France imported nearly 25 million metric tons of coal per annum, or about one-third of its total consumption. It had been hoped that 1,084,000 tons would be imported during November, 1945, but actual deliveries reached only 63.5 per cent of this amount, shipments from the United States, Belgium and Germany having fallen considerably below expectations. Of the 688,000 tons imported, the United States supplied 323,000 tons; Great Britain, 132,000; Belgium, 21,000; and Germany, 212,000 tons. Imports during October amounted to 853,000 tons as against 665,000 in September and 437,000 in August.

During the week ended December 8, imports totalled 181,331 metric tons as compared with 182,868 tons during the previous week. It is expected that imports from Germany will be stepped up considerably during the spring of 1946.

LIQUID FUELS

In 1938 France's consumption of petroleum, crude and refined, totalled 6,400,000 metric tons, including 2,860,000 tons of gasoline. The reduction of over 50 per cent in the number of motor vehicles in active use since the beginning of the war, and the conversion of many vehicles from gasoline to gas derived from wood (gasogenes), have correspondingly reduced France's needs.

During the month of October, 1945, consumption was as follows, in cubic metres: automobile gasoline, 81,700; petroleum, 11,700; gas oil, 35,000; liquid fuels, 44,200. This represents about one-quarter of France's pre-war consumption.

ELECTRICITY

During the fifteen years previous to 1938, the production of electrical energy in France increased from 7.5 billion to 19 billion kilowatt-hours. In 1923, 45 per cent of the output of electricity was derived from water-power. In 1938 this percentage had risen to 53, the production of hydro-electrical energy having tripled. In 1943 the total output reached 19.8 billion kwh., 55 per cent being produced from water. During the week ended October 18, 1945, total production was 365 million kwh. as compared with 330 million during the corresponding week in 1938.

Plans have been made for the development of water-power during the next nine years, which will raise hydro-electric output to 24 billion kwh. in 1955, or to about twice the present figure. The completion of projects now under way will allow of an additional production of 1.4 billion kwh. per annum by the middle of 1946, resulting in a saving of 1,120,000 metric tons of coal. A further 2.6 billion kwh. will be developed by the end of 1947.

As a result of an abnormal autumn drought, the production of hydro-electric energy has fallen during the last two months by about one-third. There has consequently been an increased demand on electricity supplied from coal to make up for part of the deficiency in water-power, some of the power from the thermal stations being diverted to areas usually supplied with hydro-electric current. In the process of finding an equilibrium in the distribution of coal to the power stations and industries dependent upon this fuel, a number of industries have been forced to reduce their activities.

The following table shows the total output of electricity during the week ended December 12, 1945, as compared with production in each of the three previous weeks and the week ended December 5, 1943:—

Week ended—	From Coal	From Water Million Kilowatt-hours	Imported	Total
December 12, 1945	35.6	18.0	2.4	56.0
December 5, 1945	39.9	20.3	2.3	58.5
November 28, 1945	35.5	18.6	2.3	56.4
November 21, 1945	35.2	22.6	2.2	60.0
December 5, 1943	23.2	30.3	0.1	53.4

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Among the drastic measures taken to meet the emergency, shops other than groceries and druggists have been forbidden to use electric light after 5 p.m.; restaurants, cafes and public houses are reduced to using electricity for lighting during three days only per week; night clubs are without electricity; theatres may only use electricity from 2 to 5 p.m. and from 9 p.m. to midnight daily except Sundays and holidays, when the hours are from noon to midnight.

IRON AND STEEL

Production of pig iron in November, 1945, reached 169,000 metric tons, or 33 per cent of the 1938 monthly average, as compared with 148,000 tons in October. The output of steel ingots and castings rose from 207,000 tons in October to 226,000 tons in the following month (44 per cent of 1938), while production of rolled and finished steel remained stationary at about 165,000 tons (49 per cent of 1938).

Before the war 7 million metric tons of steel were produced in the blast furnaces. Plans are being made to step up the total output to 12 million tons per annum.

BUILDING MATERIALS

With a few exceptions, such as hydraulic lime and window-glass, production of building materials increased in November last as compared with the previous month, as the following figures, in metric tons, show (October, 1945, within parentheses): cement, 156,600 (148,150); hydraulic lime, 126,400 (134,416); bricks and tiles, 153,000 (149,127); refractory products, 26,900 (26,415); faience and pottery, 3,700 (3,577); window-glass, 4,699 (4,775).

CHEMICALS

The following figures show the output in metric tons of certain chemicals

during November, 1945, together with the average monthly output in 1938 (within parentheses): sulphuric acid, 45,000 (80,900); calcium carbide, 5,000 (13,000); chlorides, 2,700 (3,540); lime soda, 4,250 (9,500); sodium carbonate, 19,000 (40,280); hydrochloric acid, 2,200 (10,000); carbon sulphide, 1,300 (805); paints and varnishes, 11,400 (14,000); ammonia, 8,250 (18,535); superphosphates, 60,000 (114,000); nitrogen fertilizers, 6,000 (15,700); copper sulphate, 3,800 (6,750).

Fertilizers.—France's requirements of fertilizers amount to 400,000 metric tons of nitrogen, 1,093,000 tons of phosphoric acid, and 1,070,000 tons of potash. However, because of present difficulties, the program for 1945-46 was based not on present needs but on consumption in 1938-39, calling for 180,000 tons of nitrogen, 324,000 tons of phosphoric acid and 297,000 tons of potash. France's output during the first half of 1945 reached only 9 per cent of the 1938 level as regards nitrogen fertilizers and 1.4 per cent for phosphates.

France must therefore depend on other countries, and imports of 600,000 tons of nitrogen fertilizers were approved for the year July 1, 1945, to June 30, 1946. The program also calls for imports of 500,000 tons of phosphates, of which 395,000 tons had been delivered by the end of September last, mainly from French North Africa. However, because of the scarcity of sulphuric acid and a deficiency in imports of pyrites from Spain, the manufacture of superphosphates is only possible on a limited scale. The supply of potash depends on the amount of coal available for the manufacture of potassium chloride and on transportation facilities by rail and water from the mines of Alsace.

TEXTILES

In spite of the scarcity of coal and dyeing materials, the dyeing and coating industry was able to process 11,350 metric tons of fabrics and yarns in September, 1945, as compared with

8,240 tons in July. The former figure represents about 40 per cent of the monthly 1938 average.

RUBBER

In terms of tonnage, France's present output of rubber tires is about 70 to 75 per cent of that of 1938. Expressed in gum content, production of tires in November, 1945, amounted to 1,954 metric tons as compared with 2,222 tons in October, the corresponding figures for industrial rubber being 600 and 609 tons respectively.

PAPER

The production of paper and cardboard in November last totalled 40,500 metric tons (nearly 40 per cent of the pre-war monthly average), including 4,500 tons of newsprint.

Transportation

Considerable progress has been made in the reconstruction of the roads and railways since the liberation of the country in September, 1944. Circulation on the roads is now normal, and great strides have been made by the national railways, the number of locomotives in use having tripled. The ports are being opened up to shipping, imports having increased from 102,000 metric tons in January, 1945, to 1,500,000 tons in October as compared with a monthly average of 3,010,000 tons in 1938.

RAILWAYS

On April 1, 1939, the number of steam locomotives in operation on the national railways was 15,800. Upon liberation only 2,900 locomotives were in good order out of 11,800 remaining. At present only about 1,400 of this latter figure await repairs. On October 1, 1945, the number of locomotives belonging to the national railways totalled 12,900, of which 8,000 were utilizable. Several orders have been placed in the United States, the first lot comprising 700 steam locomotives, type 141R, and 30 Diesel-electric loco-

motives of 60 h.p. The first eight locomotives arrived in Marseilles at the beginning of November last. A second order for 500 locomotives has been placed in the United States, and 140 have been ordered from Canada.

Before the war the national railways owned 460,000 freight cars. At the time of liberation this total had been reduced to 220,000, of which 64,000 required repairs. Of the latter number, only 18,000 remained to be repaired on October 12 last. A number of cars have been returned from Germany; some have been ordered from the United Kingdom. From the United States, 1,500 cars are in process of being shipped, while orders have been placed for another 36,750. Parts are to be imported from the United States, which will allow of 12,000 cars being built in France.

During the week ended December 14, 1945, the average number of steam locomotives in use was 7,240, apart from 540 electric locomotives. The daily average consumption of coal was about 24,600 metric tons on December 10 last. The daily average of car-loadings during the week ended December 14 was 23,600 as against an average of 37,600 during 1938.

In order to reduce the deficit in the operation of the national railways, freight rates have been increased as from January 5, 1946, an exception being made in respect of certain goods such as vegetables, wines, sugar and fertilizers, so as to reduce the incidence on the cost of living. For other goods the increase is about 50 per cent. First- and second-class passenger fares have also been raised by 40 to 50 per cent.

ROADS

At the time of liberation, 6,000 road bridges had been destroyed. A large number have now been repaired, but another five or six years will be required before this work can be completed.

MOTOR VEHICLES

It is impossible to determine with any accuracy the number of motor vehicles in France at the present time. In 1938 there were 1,850,000 in circulation, and this number is believed to have been reduced by over 50 per cent, private cars numbering at most about 680,000 as against 1,400,000 before the war, and trucks and lorries, 230,000 as compared with 430,000.

From October 1, 1944, to October 1, 1945, only 27,000 automobiles were built in France as compared with 234,000 in 1938. In October, 1945, the number of automobiles produced was 4,187 as compared with 3,795 in September. Efforts are being concentrated chiefly on motor trucks and lorries. It is hoped that during 1946 some 116,550 vehicles will be built, requiring the use of about 314,600 metric tons of ferrous metals. This number includes 73,000 for carrying freight. The number of types of motor cars will be reduced to about 40 as against 136 in the pre-war period, and manufacturers will be organized into seven groups, each specializing in a few types.

A number of motor vehicles are being brought in from Germany and, in addition to purchases of allied military vehicles, about 45,000 motor cars have been ordered from North America.

SHIPPING

There was a regular increase in both incoming and outgoing ocean shipping during 1945. Inward tonnage increased from 102,000 metric tons in January to 1,500,000 tons in October (about 50 per cent of the 1938 monthly average), while outward tonnage rose from 10,100 tons to 83,200 tons (about 8 per cent of 1938). These figures exclude military traffic.

France possessed a merchant fleet of 1,900,000 tons before the war, which had been reduced by 50 per cent in September, 1944. The available tonnage had increased to 1,100,000 in November, 1945, while 150,000 tons were under repair and 430,000 tons were under construction. Twenty-one

"Empire" ships, representing 135,000 tons, have been ordered from the United Kingdom.

Plans have been made covering two five-year periods for the reconstruction of the merchant fleet. During the first period the total tonnage will be raised to three million, of which two million will be new. During the second period the construction of one million tons and the purchase of 500,000 tons from abroad will give France in 1955 a fleet of 3,500,000 tons of modern ships, greater in tonnage and superior in quality to the 1939 total.

Foreign Trade

During the month of November, 1945, imports into France totalled 10,289 million francs in value as compared with 9,981 million francs in October, while the values of exports were respectively 1,661 million and 1,487 million francs. The adverse balance of trade during November was 8,628 million francs.

A breakdown by main categories of November trade is given in the following table:—

Imports into France in November, 1945

	Foreign Colonies Millions of Francs		Total
Foodstuffs	2,811	799	3,610
Raw materials ...	3,564	500	4,154
Manufactures	2,340	185	2,525
Total	8,715	1,574	10,289

Exports from France in November, 1945

	Foreign Colonies Millions of Francs		Total
Foodstuffs	344	81	425
Raw materials ...	212	70	282
Manufactures	310	644	954
Total	866	795	1,661

For the eleven months ended November, 1945, the value of imports totalled 41,911 million francs and exports 9,211 million, leaving an adverse balance of 32,690 million francs.

Agriculture

Normally France is practically self-sufficient in respect of cereals (with

the exception of maize), potatoes and wines but, because of the exceptionally dry summer of 1945, apart from an insufficiency of fertilizers and agricultural machinery, as well as a decrease in the areas under cultivation, crops were reduced by half. Imports must therefore be depended upon to make up the deficiencies. The situation has been rendered acute by the lack of shipping.

WHEAT

Only 3 to 3.3 million metric tons of wheat are available this year, because of the short crop, as against total requirements of 5,850,000 tons. France must therefore import at least 2,500,000 tons of wheat. The deficit had been first estimated at about 2,000,000 tons, the importation of which seemed assured; this led to the ending of bread rationing on November 1, 1945. Because of the increased requirements, however, combined with the fact that imports have been effected on a smaller scale than had been hoped for, bread rationing was reintroduced on January 1, 1946.

Favourable weather conditions allowed farmers to complete their autumn sowing by the end of November last, and the area planted to wheat at the end of 1945 is approximately 50 per cent greater than in 1944, the figures being respectively 3,787,288 and 2,537,095 hectares (one hectare equals 2.4 acres). The area under wheat in the autumn of 1937 was 4,994,100 hectares.

POTATOES

The situation in respect of potatoes is most unfavourable, the 1945 crop being only half that of 1944 and 60 per cent of normal. As the total consumption is about 1,626,000 metric tons as against a crop of 980,000 tons, some 645,000 tons should be imported to meet the deficiency. About 300,000 tons are to be secured from the United States, and the remainder will be obtained, if possible, from European countries.

About 450,000 metric tons of seed will be required for the 1946 crop, and

the deficit is presently about 120,000 tons. During the year 1945, imports of seed potatoes totalled 47,000 tons out of 58,000 planned for. For the 1945-46 crop it is planned to import 150,000 tons, to be obtained from the following European countries: Holland, 65,000 tons; Denmark, 35,000; Great Britain, 30,000; Switzerland, 10,000; Czechoslovakia, 10,000 tons. Of these quantities, 15,000 tons have been shipped from Holland and 4,000 tons from Great Britain; these imports, which had been stopped on December 15, will be resumed on February 15, 1946.

SUGAR BEETS

In 1944, as a result of the lack of coal, a large quantity of sugar beets could not be processed. Coal was, however, available in 1945, and the sugar production is estimated at 400,000 metric tons as against requirements totalling 600,000 tons, leaving a deficit of 200,000 tons to be imported from abroad, mainly from certain French colonies. The area under sugar beets in 1945 was only 170,000 hectares as against 315,000 before the war. It is planned to seed about 280,000 hectares in 1946. If a yield of 26 tons per hectare is obtained, as hoped, this will allow of the manufacture of 2,500,000 metric tons of alcohol and 650,000 tons of sugar.

WINE

The area under grapes in 1945 was only 5 per cent below that of 1938, but the vines are generally in poor condition. If sulphur and copper sulphate are sufficiently available, it is hoped that production in 1946 will reach about 45 million hectolitres as compared with only 39 million in 1945 and 60 to 80 million before the war.

As the monthly ration provides for four litres of ordinary wine, about 34,500,000 hectolitres are required as against this year's output of 28,500,000 hectolitres. It is hoped to import the remainder (6,000,000 hectolitres) from Algeria, if sufficient shipping space can be found, and this presents a difficult problem.

FORAGE CROPS

The 1945 forage crops were small, and this was probably the worst year France has ever experienced. There is a lack of grain, of means of transport, of agricultural implements and of insecticides, and stocks are practically non-existent.

In 1943-44, imports of foreign seeds amounted to only 1,616 metric tons as against exports of over 10,800 tons. Plans for 1945-46 call for imports of 16,350 tons.

OILSEEDS

Before the war France had almost abandoned the cultivation of oilseeds because of the lower price of imports, and the area under cultivation was only 7,500 hectares, with a crop of 11,350 tons. In 1941 a special effort was made to increase local production, and farmers were required to plant certain fixed quantities. By 1944 the areas cultivated totalled 282,438 hectares, from which a crop of 163,700 tons was harvested. In 1945 the area decreased to 193,693 hectares, and only 65,000 tons were harvested. Yields have decreased by over 50 per cent since 1938.

MEATS

The average ration of meat is 250 grams per week (0.55 pound), and annual minimum requirements total 830,000 metric tons as against available supplies of 700,000 tons for the year ending June, 1946, leaving a deficit of 130,000 tons which will have to be imported. The scarcity is already being felt, and recourse is being had to reserves of imported refrigerated meat. Farmers are selling many animals, mainly because of the drought and the lack of feedstuffs.

The number of live animals in France has considerably decreased since 1938 as a result of bombings, increased slaughterings for food, and requisitions by the Germans. The following table shows the estimated num-

ber of animals for the year 1945-46 as compared with the pre-war figures:

Live-stock Population of France

	1945-46	1938-39	Decrease
Cattle	14,800,000	15,600,000	800,000
Sheep, goats	6,900,000	9,900,000	3,000,000
Swine	5,900,000	7,100,000	1,200,000
Horses	2,300,000	2,700,000	400,000

In respect of cattle, the decrease is relatively small, but the animals are young and light. There has been a considerable reduction in the number of milch cows, amounting to about 1,500,000. The production of milk has declined from 138 million hectolitres in 1938 to about 83 million.

RAW MATERIAL SUPPLIES IN THE UNITED KINGDOM

By H. L. E. PRIESTMAN, *Canadian Trade Commissioner at London*

In a recent survey of the position of the United Kingdom in relation to raw materials, the Board of Trade points out that consideration must be given to many factors, financial and physical. With the arrangement of credits from the United States and Canada, assuming these are approved, currency restrictions should decline in importance, although there will clearly be need for continued economy in the import of materials, especially where these are of little aid to the export industries.

Broadly, therefore, the present problem is one of availability, bearing in mind that this in itself involves labour, transport, fuel and political aspects, as can be recognized mostly clearly in the case of timber. Baltic countries have ample forests, but insufficient labour and transport for their exploitation on the pre-war scale. A serious shortage of coal not only limits sawmill activity, but reflects directly on the supply of exportable timber by necessitating its use as fuel; and Finland, the largest source of supply before the war, is under obligation to make reparation in kind to Russia. Nevertheless, over the whole field of raw materials, the position does not give rise to anxiety in spite of certain world shortages.

Metals

Steel is as important now as during the war. United Kingdom production is limited at present by the fuel and labour position, and it does not suffice to cover both home and export needs. While there are reasonable stocks in the country, substantial imports of

semi-finished steel are essential for the maintenance of exports.

Aluminium, copper and zinc are in adequate supply. On the other hand, tin and lead are still restricted; the former by reason of the time which must elapse before output from South-east Asia can be built up again, and lead because production generally has declined while demand is on the increase. The ultimate position of lead is difficult to assess because of the possibility of substitution by metals in easier supply.

Textiles

From the raw-material angle there are no difficulties in the main textiles. The United Kingdom has large cotton stocks and supplies of nearly all kinds are readily obtainable.

In the case of wool, the difficulty is one of super-abundance rather than shortage. Purchases by the United Kingdom from the southern Dominions during the war have resulted in stocks of such size that many years will be needed before they can be disposed of, if there is to be no undue disturbance of the market for new clips. There is, however, a shortage of yarn and cloth, both cotton and wool, which will only be relieved as more labour becomes free for spinning and weaving.

Raw jute supply has improved and is now adequate for the available processing capacity. In hems the main shortage is in the hard types, by reason of the lack of manila. There is no indication yet as to when Philippine exports will recommence on any scale.

Timber and Paper-making Materials

As already indicated, timber is subject to the most serious difficulties. The United Kingdom formerly imported nearly 10,000,000 tons, and it seems unlikely that more than one-third of this quantity will have been obtained in 1945. On the other side of the balance sheet there is, of course, a very heavy pent-up demand, to say nothing of the new housing program. The overall picture suggests that it will be a matter of years before the United Kingdom's timber requirements will be fully met.

Paper-making materials are subject to limitation for similar reasons as for timber, although not on the same scale, and the Board of Trade states that no immediate decontrol of paper is possible. Moderate relaxations in its use have recently been granted.

Rubber and Chemicals

As regards rubber, there is, of course, a large output of the synthetic product and no general shortage can be envisaged. So far as can be seen, the United Kingdom should have a steady reconversion from the use of synthetic to that of natural rubber, the rapidity depending upon present stocks and new output in the Far East.

There are shortages in certain chemicals and fertilizers, but none that seem unduly serious. The United Kingdom is not obtaining all the fertilizers it needs, but this is due to increasing requirements rather than to reduced supplies. Agricultural policy is still one of high crop production, and throughout the war there has been a steadily rising demand for fertilizers of all descriptions. Potash is likely to be the variety in shortest supply.

SUBMISSIONS REGARDING TRADE AND TARIFFS

The new Trade and Tariff Committee, whose appointment for the purpose of hearing those who wish to make representations to the Government on trade and tariff matters was announced by the Minister of Finance early this month, is prepared to receive written submissions immediately, according to a statement recently issued by its Chairman.

Briefs should be addressed to Mr. H. B. McKinnon, Chairman, Trade and Tariff Committee, Mines Building, 541 Sussex Street, Ottawa. If at all possible, briefs should be mailed by January 31. This time, however, may be extended somewhat if necessary.

The work of the Committee will be facilitated, says the statement, if ten copies of briefs are supplied, as it will speed up the consideration of submissions. Those who wish to supplement their written submissions with a personal appearance before the Committee will be given an opportunity to do so, but in no case will oral representations be heard until after receipt of the brief upon which they are based.

The Committee will regard both written and oral submissions as con-

fidential, but will have no objection if any one chooses to make public the nature of his own submission.

The Committee does not specify any detailed plan or outline to be followed in the preparation of briefs, the statement continues. It desires that those making submissions include whatever information they consider relevant in the light of the particular circumstances of their industry or trade. However, for the guidance of those who wish advice, the Committee makes the following general suggestions:—

1. Careful note should be taken of the Proposals for Expansion of World Trade and Employment made by the Government of the United States. These have been reprinted as a Canadian Government White Paper (Conference Series, 1945, No. 3) and are obtainable from the King's Printer, Ottawa (10 cents each).

2. The Government of the United States has invited the Governments of Canada, France, United Kingdom, South Africa, New Zealand, Australia, India, Belgium, Luxembourg, Netherlands, Czechoslovakia, Cuba, Brazil, U.S.S.R., and China to appoint representatives to attend a preliminary meeting in the spring of 1946 to negotiate, for consideration by a proposed general international Trade Conference to be held later, concrete arrangements for the relaxation of

tariff and trade barriers. (It is assumed that the United Kingdom will represent the Colonies). Briefs should furnish information of value to the Canadian representatives at this meeting.

3. Careful note should be taken of the Minister of Finance's statement that representations from industry "should not have as their objective the raising of tariff rates, and further that particular attention should be given to the possibilities of enlarging the access of Canadian industry to external markets."

4. It is desirable that all briefs contain a concise summary of the views of the applicant in respect of (a) tariff concessions which Canada should attempt to obtain from other countries, (b) non-tariff obstacles to Canadian exports which Canada should seek to have removed, (c) items on which tariff concessions by Canada might be undesirable,

and (d) concessions which Canada might offer to other countries.

Members of the Committee are: Chairman, H. B. McKinnon, Chairman of the Tariff Board and President of the Commodity Prices Stabilization Corporation; M. W. Mackenzie, Deputy Minister of Trade and Commerce; David Sim, Deputy Minister of National Revenue (Customs and Excise); W. A. Mackintosh, Acting Deputy Minister of Finance; W. J. Callaghan, Commissioner of Tariffs; J. G. Taggart, Department of Agriculture; S. D. Pierce, Department of External Affairs. Secretary is Dr. C. A. Annis, and Associate Secretary, R. Cousineau.

PERU'S ECONOMY AND FOREIGN TRADE

II

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

TRADE WITH CANADA

Canada's trade with Peru has varied considerably over the past ten years, as is demonstrated by the following Canadian trade figures of total exports from the Dominion to Peru and imports therefrom into Canada:—

	Canadian Exports to Peru	Peruvian Imports into Canada
	Values in Canadian Dollars	
1935	975,645	4,059,037
1936	1,008,165	5,517,807
1937	1,236,661	4,585,772
1938	892,089	3,004,743
1939	1,244,776	601,224
1940	1,527,210	712,418
1941	1,941,909	2,833,002
1942	1,026,049	936,159
1943	766,452	691,940
1944	1,339,275	94,549

Canada is now approximately the tenth most important supplier of goods to Peru, but is only capable of accepting limited amounts of Peruvian merchandise, due to their nature.

PURCHASES FROM CANADA

The principal Canadian products brought into Peru during war years have been wheat and newsprint. Wheat is a spasmodic trade, depending on the availability of supplies from other

countries and shipping opportunities from Canada. Recently there have arrived several full cargoes from Vancouver. In the case of newsprint, however, Canada has been the principal provider all through the war years, furnishing nearly 90 per cent of Peruvian needs.

Other main products are furs, asbestos fibres, calcium carbide, sodium cyanide, spare parts for machinery, flaxseed, paper, paints, pipes and tubes, agricultural machinery, electrical goods, mining steels, whisky, wheat flour, steel drums, trucks, automobile spare parts, valves, miscellaneous machinery, wire, upper leathers, brushes, box shooks, lumber, etc.

In pre-war years there was a good trade in Canadian rubber goods, including tires and tubes, mechanical and moulded articles. Silk stockings, furs, enamelware, nails, paints, brushes and canned salmon were also among the peace-time articles of commerce with Peru.

SALES TO CANADA

The main change brought about in Peruvian exports to Canada was the

cessation of bulk petroleum and gasoline shipments after 1941. It appears unlikely that these will be resumed in the near future, due to the increase of sales in the Pacific area for Peruvian petroleum derivatives and the readier accessibility to Canada of petroleum products from the northeast coast of South America.

Other exports from Peru to Canada include cotton and sugar, for both of which commodities Peru would like to secure a higher volume of trade. Smaller amounts of wool, rice and goat skins are forwarded and there are more limited quantities of tropical products available, including barbasco or cube, for which Peruvian shippers would like to develop a market.

Canadian Exports to Peru

Affording a comparison of pre-war and wartime Canadian sales to Peru, Table 3 shows principal Canadian exports to Peru in 1937, 1938, 1943 and 1944, according to figures compiled by the Dominion Bureau of Statistics. Included in the table are all items with a value in excess of \$1,000. It will be noted that shipments of some of the items of larger value, in 1937 and 1938, such as rubber tires, shooks, planks and boards, ceased or fell to small figures in 1943 and 1944, that those of others of relatively low values in the pre-war years increased substantially during the war, and that a number of new items appeared in the wartime shipments.

TABLE 3

Principal Canadian Exports to Peru

Commodities	1937	1938	1943	1944
	Thousands of Canadian Dollars			
Fruits and vegetables	1.3	3.0	3.3	0.1
Flour of wheat .....	....	....	3.7	17.2
Malt .....	....	1.5	....	....
Alcoholic beverages	4.0	5.3	17.3	26.4
Rubber tires	175.2	216.7	....	....
Inner tubes	16.1	18.2	....	....
Rubber manufactures, n.o.p.	7.2	10.8	6.6	13.2
Seeds .....	....	....	....	34.1
Vegetable products, n.o.p.	2.4	3.1	1.1	3.6
Fish dried, salted, preserved	4.1	3.2	....	....
Furs	25.6	11.2	56.8	128.1
Leather manufactures	2.0	2.2	10.9	12.5
Meats	13.1	6.7	....	....
Butter	8.3	7.2	....	....
Milk, processed	15.7	20.4	....	....
Grease or tallow	4.2	1.4	....	....
Oils, fish .....	....	....	21.9	4.1
Cotton waste	5.2	2.4	....	....
Cotton manufactures	4.6	5.2	1.4	1.7
Wool and wool manufactures .....	....	....	1.5	0.4
Silk socks and stockings	7.1	2.8	....	....
Artificial silk and manufactures .....	....	....	1.5	....
Cordage, rope and twine	16.2	10.2	3.9	0.6
Felt manufactures .....	....	....	22.5	16.2
Oilcloth	3.0	2.5	....	....
Clothing, n.o.p. (textile) .....	....	....	5.1	7.5
Fibres and textiles, n.o.p.	3.7	1.8	1.5	3.6
Railroad ties, wood	2.6	6.6	....	3.4
Planks and boards	76.6	107.3	....	....
Timber, square	2.3	9.0	....	....
Shooks of wood	270.9	146.9	....	4.5
Wood pulp .....	....	....	64.3	....
Wood and manufactures, n.o.p. ....	....	....	0.4	1.5
Book paper	6.1	1.7	6.6	30.4
Newsprint paper	179.6	21.2	172.9	355.0
Wrapping paper	37.1	15.2	....	....
Bags, boxes and cartons	9.4	0.5	....	....
Wallpaper	3.3	3.3	....	....
Roofing paper	3.3	0.7	....	....
Paper, n.o.p., books and printed matter....	12.3	8.2	10.9	17.3
Ferro-silicon and manganese	3.1	0.9	....	....
Bars and rods of iron and steel	2.2	0.7	....	....
Castings, iron .....	....	....	3.7	3.8

Principal Canadian Exports to Peru—Con.

Commodities	1937	1938	1943	1944
	Thousands of Canadian Dollars			
Rolling-mill products, iron .....	.....	.....	.....	22.8
Iron tubes, pipes and fittings	11.6	29.9	3.9	19.8
Wire	0.7	3.7	.....	.....
Engines and boilers .....	.....	.....	0.7	3.0
Farm implements and machinery	9.8	4.6	9.1	37.2
Hardware and cutlery	3.1	4.3	7.8	2.6
Machinery (except agricultural)	35.9	21.8	9.9	33.3
Tools	2.6	1.5	0.2	2.0
Automobiles	0.6	2.7	25.9	25.2
Other motor vehicles	36.5	5.4	.....	.....
Automobile parts .....	.....	.....	9.0	48.3
Valves, iron .....	.....	.....	2.4	24.4
Iron and steel, n.o.p.	31.7	38.2	6.2	15.6
Aluminium manufactures	6.6	2.1	.....	.....
Brass and manufactures	14.8	8.3	3.3	15.1
Copper wire, insulated	25.2	16.1	.....	.....
Copper and manufactures	6.4	0.3	27.5	36.2
Electrical apparatus	46.6	27.0	17.7	19.6
Zinc and manufactures .....	.....	.....	.....	9.9
Non-ferrous metals, n.o.p.	4.3	3.2	7.8	19.5
Asbestos and manufactures	2.8	3.3	78.5	63.2
Earthenware .....	.....	1.8	.....	.....
Mineral oil	3.2	5.5	.....	.....
Abrasives	1.8	1.8	0.5	1.7
Lime, plaster and cement	6.9	2.5	.....	14.3
Non-metallic minerals, n.o.p.	0.8	1.1	6.7	1.1
Medicines and toilet preparations	0.6	1.6	5.1	6.1
Paints and varnishes	27.6	17.0	18.2	31.8
Inorganic chemicals, n.o.p.	3.5	10.1	90.8	153.2
Chemicals and allied products, n.o.p.	1.5	0.9	2.9	4.5
Brushes	6.6	6.1	0.8	11.1
Packages	2.3	2.4	.....	.....
Stationery	1.2	0.3	.....	.....
Household and personnel equipment	6.5	4.1	7.2	21.2
Total of above items	1229.2	885.6	759.9	1327.9
Total exports	1236.6	892.0	766.4	1,339.2

Principal Commodities Imported from Canada

The following paragraphs contain a resumé of imports from Canada with a value exceeding S/50,000 (roughly Can.\$8,500), as recorded in Peruvian trade returns, and are dealt with in the order of value of such imports in 1944. The value of all arrivals, the value of the quantity imported from Canada and the shares of the main suppliers are given both for 1944 and 1938 in order to provide a comparison between pre-war and wartime imports. The Peruvian import figures are compiled on the basis of the value declared at the port of shipment, as indicated in the consular invoice, plus 20 per cent to represent freight and miscellaneous charges. The country of origin is that indicated in the consular invoice, not the port of shipment.

NEWSPRINT

1944.—Total, S/4,270,235; Canada, S/2,988,371; United States, S/1,077,460; Sweden, S/148,672.

1938.—Total, S/1,290,752; Canada, S/180,481; Germany, S/602,559; Norway, S/162,196; Sweden, S/93,545.

It will be observed that prior to the war, Canada supplied only a very small share of newsprint to Peru. With the practical elimination of European competition for the next short period, it may be expected that Canada will continue to supply a fair volume. Eventually Canadian shippers will have to be prepared to meet Scandinavian competition. There is some local production of a very poor type of newsprint, but neither the price nor the quality is attractive. Part of the 1944 arrivals listed as from the United States were actually of Canadian origin.

FURS OR SKINS

These include tanned or semi-tanned, of other kinds than rabbit or hare.

1944.—Total, S/2,158,396; Canada, S/655,333; United States, S/1,443,789; Argentina, S/59,235.

1938.—Total, S/273,831; Canada, S/71,712; France, S/135,530; Germany, S/40,898; United States, S/11,416.

At the present time there is a good demand for furs in Peru, due both to the increased number of possible purchasers of Peruvian nationality who, due to war circumstances, are buying such goods within the country, and to the presence of a fair number of

foreign residents in the medium-income group. It is a question whether this market will continue, since with the lifting of travelling restrictions more persons will make such purchases abroad. On the other hand, the style for furs used for jackets and scarves is now well established and a fair amount of business can be expected provided foreign exchange becomes available for luxury goods.

PACKINGS OF ALL KINDS

1944.—Total, S/1,519,819; Canada, S/552,964; United States, S/839,673; Great Britain, S/95,018.

1938.—Total, S/427,438; Canada, S/24,811; United States, S/257,367; Great Britain, S/109,681; Germany, S/21,593.

The main part of this item from Canada is asbestos fibre, which is used in the manufacture of asbestos cement products. The factory producing these is doing a good business and it is anticipated that there should continue to be a fair market for this fibre in Peru. The increase in the total imports of this item is due to the opening of this factory in 1942. Prior to this there was a fair import of packings into Peru, mainly destined for use in the petroleum industry and brought into the country through the port of Talara.

CALCIUM CARBIDE AND CYANIDE

1944.—Total, S/964,821; Canada, S/494,662; United States, S/468,958; Mexico, S/1,201.

1938.—Total, S/168,273; Canada, S/19,813; Germany, S/81,218; Italy, S/40,830; Poland, S/17,290.

Calcium carbide is produced in Peru by one of the principal mining enterprises which now employs practically all the output for its own needs. Increasing difficulty in obtaining suitable coke has reduced calcium carbide production to the point where there is little available for other users. It will be observed that prior to the war the main supplies came from Germany and Italy. At least until these two countries are back into production a fair market for Canadian calcium carbide may be expected.

Calcium carbide is used mainly by the mines and in considerable quantities for miners' lamps. It is also employed in the sugar-producing areas, rice-hulling mills, in the oil-fields, and for acetylene welding.

SPARE PARTS FOR ALL KINDS OF MACHINERY

1944.—Total, S/17,778,066; Canada, S/443,805; United States, S/14,792,866; Great Britain, S/1,561,218; Argentina, S/589,027.

1938.—Total, S/8,114,522; Canada, S/92,673; United States, S/4,504,563; United Kingdom, S/1,533,433; Germany, S/1,093,418.

The United States has been and is the main supplier of this item. There is no

domestic production in Peru, which is entirely dependent on imported parts. A fair market can be anticipated for Canadian spare parts which can meet United States competition.

SODIUM CYANIDE FOR INDUSTRIAL USE (MINING)

1944.—Total, S/801,232; Canada, S/389,220; Great Britain, S/295,171; United States, S/116,831.

1938.—Total, S/645,750; Canada, S/13,988; Germany, S/385,919; United States, S/180,116; France, S/55,081.

Prior to the war Germany was the main supplier, whereas Canada in 1944 was in first place. As this product is needed in gold mining, particularly for treatment of oxidized ores, a steady market can be anticipated as long as prices are competitive.

LIVE-PLANTS AND NON-EDIBLE SEEDS FOR SOWING PURPOSES

1944.—Total, S/977,164; Canada, S/249,010; United States, S/650,755; Chile, S/40,604.

1938.—Total, S/57,415; United States, S/18,876; France, S/10,693; Germany, S/7,616.

This is a miscellaneous item and although not definitely indicated it is understood that the amount from Canada represents the importation of 2,500 sacks of flax seed. This was sown, but did not give very good results and it is doubtful whether this business will be continued. Now that regular flax-producing areas are likely to be back soon in full production, it is also a question whether Peruvian-grown flax can meet this competition.

PAPER, YELLOWISH WHITE, FOR BOOKS, PRINTS, ETC.

1944.—Total, S/2,341,793; Canada, S/215,405; United States, S/1,989,118; Sweden, S/66,315.

1938.—Total, S/695,356; Canada, S/1,426; Germany, S/436,684; United States, S/54,525; Finland, S/49,578.

It will be observed that this kind of paper was previously obtained from Europe and, in addition to the countries mentioned, both Norway and Sweden were suppliers. The future market depends on the length of time that Canada can meet prevailing price competition in this item.

PAINTS, PREPARED WITH OIL

1944.—Total, S/1,729,246; Canada, S/171,739; United States, S/925,724; Great Britain, S/629,298.

1938.—Total, S/762,392; Canada, S/67,521; United States, S/338,806; United Kingdom, S/263,289; Germany, S/42,181.

Canada apparently has had a certain share in this item, which can be expected to continue as long as prices are in line. Chief competition, both pre-war and wartime, is from the United States and Great Britain.

PIPES AND TUBES OTHER THAN CAST IRON

1944.—Total, S/9,010,114; Canada, S/170,-394; United States, S/8,822,210; Mexico, S/17,887.

1938.—Total, S/3,806,740; Canada, S/157,-469; Germany, S/1,222,152; United States, S/943,605; Czechoslovakia, S/843,463.

Although the United States shipped a large share, the bulk of these imports prior to the war came from Germany and Czechoslovakia. Until European suppliers get back into this trade, some volume of pipes, on a limited scale, may be expected to be imported from Canada. Cement and asbestos-cement piping are produced in Peru.

MACHINERY FOR AGRICULTURE AND MINING

1944.—Total, S/6,381,357; Canada, S/157,-993; United States, S/6,182,648; Great Britain, S/29,070.

1938.—Total, S/6,907,612; Canada, S/34,-057; United States, S/6,114,442; Germany, S/384,307; Great Britain, S/251,161.

The United States is the main supplier under this heading. Canadian goods appear to be able to meet the competition and, if they can continue to do so, a reasonable increase in Canadian agricultural machinery sales may be anticipated. There is no domestic production.

SWITCHBOARDS

This heading covers switchboards for dynamos and motors, and for central electric power and telephone stations.

1944.—Total, S/1,264,687; Canada, S/130,-070; United States, S/992,765; Switzerland, S/133,435.

1938.—Total, S/536,197; Canada, nil; Belgium, S/275,352; United States, S/105,841; Great Britain, S/79,365.

The imports from Canada in 1944 appear to be casual shipments from a Canadian plant of an international organization and it depends on that firm if further supplies will be obtained from Canada.

STEEL BARS FOR MINING DRILLS

1944.—Total, S/785,628; Canada, S/126,920; United States, S/648,351; Sweden, S/10,357.

1938.—Total, S/392,421; Canada, nil; Sweden, S/269,947; United States, S/37,963; Great Britain, S/32,219; France, S/31,630.

This is a product only recently offered from Canada. Shipments to date have given satisfaction and it is expected that further amounts of tool and drill steel may continue to be imported from Canada in the future.

WHISKY

1944.—Total, S/1,042,520; Canada, S/124,-875; Great Britain, S/725,964; United States, S/138,184; Argentina, S/52,682.

1938.—Total, S/773,775; Canada, S/19,699; Great Britain, S/745,236; United States, S/7,556.

The main trade in whisky is enjoyed by Great Britain. The increased shipments from Canada are due to war conditions and it may be difficult for Canada to hold her place in the future. Scotch whisky is much more popular than rye in Peru. There is no local production of whisky as such, although other spirits are made locally.

WHEAT FLOUR

1944.—Total, S/3,840,867; Canada, S/122,-418; United States, S/2,114,366; Argentina, S/808,625; Uruguay, S/795,458.

1938.—Total, S/565,778; Canada, nil; United States, S/531,083; Argentina, S/33,664.

Flour arrivals are practically all destined for Iquitos on the Amazon River, shipments being made via Pará, Brazil. The market is strictly a price one and the demand is based largely on the number of troops in the area, plus the amounts used by development enterprises in that districts.

In 1944, due to the food shortages in the Lima district, large imports were permitted; but this is unusual and ordinarily the Pacific Coast area is supplied by the local flour mills. The market for Canadian flour is limited and cannot be expected to increase due to prevailing restrictions, which protect the local industry.

STEEL AND IRON DRUMS

1944.—Total, S/1,200,587; Canada, S/112,-506; United States, S/764,670; Ecuador, S/37,-560.

1938.—Total, S/178,906; Canada, nil; United States, S/135,146; Germany, S/15,233.

Of these imports 85 per cent are destined for use in the petroleum industry and they entered through the port of Talara. There is no domestic production. It will depend entirely on the oil company concerned whether any future supplies of these will be brought from Canada.

MOTOR LORRIES AND CHASSIS

1944.—Total, S/8,031,365; (576 trucks): Canada (15 trucks), S/110,449; United States (561 trucks), S/7,920,916.

1938.—Total, S/7,705,254; (2,011 trucks): Canada (one truck), S/26,612; United States (1,956 trucks), S/7,434,973; Germany (34 trucks), S/154,251; Great Britain (17 trucks), S/83,354.

Prior to the conclusion of the trade agreement between the United States and Peru in May, 1942, trucks from Canada and the United States entered at the same rate of duty, but at present Canadian trucks are dutiable at S/0.024 per kilogram gross weight and those from the United States at S/0.02. This will undoubtedly affect future business in Canadian trucks, although up to the present the desire to secure trucks of any kind has outweighed any consideration of the duty factor.

SPARE PARTS FOR MOTOR BUSES, LORRIES, ETC.

1944.—Total, S/5,544,312; Canada, S/104,585; United States, S/5,294,796; Argentina, S/82,118.

1938.—Total, S/2,576,339; Canada, S/4,180; United States, S/2,046,135; Germany, S/414,227.

The United States has the chief share of this trade and the amounts from the other countries are small in comparison. Since the conclusion of the trade agreement with the United States in 1942, arrivals of spare parts from that country are dutiable at S/0.20 per kilogram gross weight, which is also applicable to arrivals from Great Britain; whereas parts from Canada and other foreign countries pay S/0.24 per kilogram gross weight. However, there will likely continue to be a limited market for Canadian spare parts. There is no domestic production.

VALVES

This item includes valves of all kinds, the internal diameter of the mouth not being over 7 centimetres.

1944.—Total, S/716,400; Canada, S/102,930; United States, S/573,333; Argentina, S/35,715.

1938.—Total, S/332,272; Canada, S/36,938; United States, S/196,437; Germany, S/54,267; Great Britain, S/29,888.

About 50 per cent of the valves are imported through the port of Talara and used in the petroleum industry. Canadian valves have enjoyed a share of this market and it is likely that they will continue to do so.

OTHER MACHINERY

This heading includes machinery for other industries than agriculture and mining and for other purposes not specially mentioned.

1944.—Total, S/19,682,156; Canada, S/100,386; United States, S/14,347,450; Switzerland, S/3,491,961; Argentina, S/1,425,185.

1938.—Total, S/10,739,790; Canada, S/50,061; United States, S/4,514,131; Germany, S/3,937,493; Great Britain, S/1,013,274.

This item covers the entry of machinery in general. The United States is by far the largest provider, and Germany has been eliminated as a source of supply for some time. There is a good demand for machinery and the sales of Canadian lines could in-

crease, provided prices are competitive with those for United States makes. There is no local production of any importance.

WIRE

This item covers wire with one or more poles, insulated or not from one another, lead coated or with iron armouring.

1944.—Total, S/233,905; Canada, S/71,983; United States, S/161,922.

1938.—Total, S/486,246; Canada, nil; Italy, S/429,576; Germany, S/27,026; United States, S/26,184.

It will be noted that the chief arrivals previously came from Italy. It seems unlikely that country will be able to export this article in the near future, therefore for the time being some imports can be expected from Canada. This is a fairly new item so far as Canada is concerned.

TANNED, DYED OF VARNISHED HIDES AND SKINS

1944.—Total, S/1,742,064; Canada, S/71,631; Argentina, S/1,261,370; United States, S/375,293; Great Britain, S/31,395.

1938.—Total, S/1,207,047; Canada, S/10,414; Germany, S/523,323; United States, S/341,958; Hungary, S/117,909.

Prior to the war Germany was the principal supplier, followed by the United States and Hungary. It will be noted that the Argentine now has the main share of the business, with the United States and Canada next in order. More leather would have been brought from Canada if it had been available, but exports to Peru were curtailed by quotas. There is a good demand for Canadian upper leather, principally calf, side and patent.

BRUSHES FOR ARTIFICERS

1944.—Total, S/127,961; Canada, S/55,184; United States, S/63,816; Argentina, S/4,384.

1938.—Total, S/121,871; Canada, S/27,377; United States, S/40,082; Germany, S/37,267; Great Britain, S/16,276.

It will be noted that Canada had increased shipments of this product in 1944, and provided prices are comparable to United States quotations, there should continue to be a good market for Canadian brushes. Orders in hand with agents far exceed the available supply and Canadian brushes have found a good acceptance in Peru.

CONTROL OF TEXTILE EXPORTS RELAXED

The Export Permit Branch announces that, with the removal of fixed quotas by countries for certain Canadian exports, particularly textile items, exporters will no longer be required to obtain certificates of necessity from Newfoundland or import licences from the British West Indies authorities for the commodities affected. Export permits will still be required but will be issued

for these commodities without the supporting import document for these two destinations.

Applications for export permits covering foodstuffs and any other commodities remaining under allocation or quota by countries of destination must still be accompanied by certificates of necessity or import licences.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela; and Mr. R. G. C. Smith, recently appointed to succeed Mr. J. L. Muttter as Canadian Trade Commissioner at Havana, Cuba (territory includes Haiti, the Dominican Republic and Puerto Rico). Their itineraries as presently arranged are as follows:—

Mr. Palmer

Victoria Jan. 21
Vancouver Jan. 22 to 26
Ottawa Jan. 29 to Feb. 4

Mr. Bissett

Toronto, including
Gravenhurst, Leaside, Weston Jan. 21 to 30
Kitchener, including
Galt and Guelph.. Jan. 31
Hamilton and
Welland Feb. 1 to 5

Mr. MacDonald

Vancouver Jan. 21 to 25
Victoria Jan. 26 to 28
Vancouver Jan. 29 to Feb. 1
Calgary Feb. 4
Toronto Feb. 9 to 23

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Ottawa, with the Department of Trade and Commerce; for Kitchener and Calgary with the office of the respective Board of Trade.

POSTAL SERVICES AND RATES

Following is a summary of recent notices issued by the Post Office Department concerning postal services and rates from Canada:—

PARCEL POST TO CZECHOSLOVAKIA

Parcel post service to Czechoslovakia has been resumed, subject to the following conditions among others: the total weight of a parcel must not exceed 11 pounds, nor the total value \$25; parcels cannot be insured; parcels are restricted to gifts addressed to private individuals and must not include commercial shipments. The rates of postage range from 60 cents for one pound to \$2.30 for 11 pounds.

MAIL SERVICE TO AUSTRIA

The mail service for private and business communications to Austria has been resumed by air and surface routes. It is limited to non-illustrated post-

cards and letters up to one ounce in weight. Until further notice, business letters are restricted to those ascertaining facts and exchanging information, no actual trading being permitted. Postage rates are: surface, 5 cents each for letters and 3 cents each for postcards; airmail, 10 cents each ounce for surface route to England and thence by air, 35 cents each half-ounce for airmail entire route.

PARCEL POST AND MAIL SERVICE TO CHINA

The Postal Administration of China has advised that parcels may be accepted for all parts of China, except to Manchuria and the provinces of Shansi, Suiyuan and Chahar.

Mail service to formerly occupied China (including Manchuria), previously confined to correspondence ascertaining facts and exchanging information, has been extended to include all classes of correspondence.

CANADA'S IMPORT TRADE IN NOVEMBER

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of November and the eleven months ended November, 1944 and 1945:—

Imports by Principal Countries

	Month of November		Eleven Months ended November	
	1944	1945	1944	1945
All countries	\$ 141,616,854	\$ 142,409,477	\$1,631,681,634	\$1,464,583,469
Empire countries	19,126,867	28,232,378	203,549,264	250,492,430
United Kingdom	11,136,744	14,826,406	101,203,508	125,662,679
Ireland (Eire)	120	....	3,061	7,030
Aden .....	....	....	3,340	1,790
British East Africa	196,730	129,973	1,026,694	1,510,546
British South Africa	454,088	1,142,641	4,685,543	7,380,827
Southern Rhodesia	35,777	9,617	303,175	530,101
British West Africa	562,311	599,397	4,068,836	9,590,930
Bermuda	9,533	3,346	487,955	93,959
British India	2,517,349	2,576,776	26,802,262	29,700,082
Ceylon	613,824	697	4,262,041	5,682,322
British Guiana	345,996	338,724	6,994,339	9,236,457
British Honduras .....	....	149,673	270,926	449,949
British Sudan .....	....	8,574	33,704	64,859
Barbados	605,074	192,675	7,729,453	5,388,018
Jamaica	493,273	1,428,217	12,094,164	8,108,593
Trinidad and Tobago	27,315	309,790	963,408	3,025,550
Other British West Indies ..	104,473	75,103	1,057,949	703,603
Falkland Islands .....	....	....	243,257	424,458
Malta	478	134	568	18,187
Newfoundland	1,003,610	2,555,997	8,801,068	15,447,839
Australia	355,563	2,809,525	10,813,968	16,688,692
Fiji	416,862	283,067	2,992,204	1,607,300
New Zealand	206,361	762,692	7,919,644	8,389,382
Palestine	41,386	29,354	559,240	369,903
Foreign countries	122,489,987	114,177,099	1,428,132,370	1,214,091,039
Abyssinia .....	....	....	....	1,789
Afghanistan .....	....	637,570	40,654	1,118,920
Argentina	547,782	493,850	8,871,382	6,977,864
Belgium .....	....	66,064	....	270,058
Belgian Congo	13,719	5,992	791,700	164,197
Bolivia	4,928	....	13,884	25,428
Brazil	566,655	1,823,254	6,890,514	6,905,495
Chile	100,170	10,499	695,892	534,017
China .....	....	....	1,892	239
Colombia	1,093,547	555,117	12,790,167	10,681,786
Costa Rica	27,047	7,080	1,327,812	590,195
Cuba	259,759	218,434	4,061,068	6,589,141
Ecuador	186,468	10,763	560,044	1,959,251
Egypt	26,373	44,867	169,640	195,177
France	402	106,384	8,051	165,291
French Africa .....	....	81,202	14,351	211,935
French West Indies	37,008	55	87,452	94,067
Guatemala	11,066	106,099	2,657,626	1,646,487
Hayti (Republic of)	14,395	15,544	2,075,151	503,923
Honduras	193,268	517,951	1,117,979	7,481,521
Mexico	987,729	992,500	11,901,859	12,362,866
Netherlands	4,460	40,888	47,075	361,822
Netherlands Guiana	58,953	....	1,097,988	....
Netherlands West Indies ..	....	22,092	508,016	830,350
Norway .....	....	16,777	....	635,878
Panama	1,655	....	5,671	33,698
Paraguay	4,926	51,538	208,133	213,653
Persia .....	....	133,143	26,876	343,371
Peru	3,674	5,469	92,725	148,059
Portugal	117,460	134,884	1,181,851	1,475,930
Russia (U.S.S.R.)	117	186,667	16,032	1,625,563
Salvador	83,527	....	2,500,021	1,501,935
San Domingo	331,897	45,290	4,210,543	5,755,169
Spain	249,752	909,067	2,453,204	3,691,470
Sweden .....	....	374,857	....	934,901
Switzerland	77,302	1,439,884	3,872,417	7,161,833
Syria	2,097	1,781	25,834	17,705
Turkey .....	....	80,088	2,330	226,343
United States	116,087,395	103,283,097	1,344,281,292	1,112,511,624
Venezuela	1,374,155	1,655,326	12,600,856	16,018,980

Imports by Principal Commodities

	Month of November		Eleven months ended November	
	1944	1945	1944	1945
	Thousands of Dollars			
Total imports	141,617	142,409	1,631,682	1,464,583
Agricultural and vegetable products	15,220	22,088	196,629	212,451
Fruits	4,223	4,957	56,268	64,813
Fruits, fresh	3,928	4,538	45,811	55,032
Nuts	1,162	2,702	11,470	11,547
Vegetables	655	2,064	14,052	17,924
Vegetables, fresh	550	1,903	13,606	17,220
Grains and products	1,235	3,000	11,448	10,592
Sugar and products	1,347	1,403	29,330	30,257
Sugar	1,009	1,118	26,886	27,465
Cocoa and chocolate	8	21	3,669	3,872
Coffee and chicory	878	1,514	13,911	8,175
Tea	1,685	1,264	13,092	17,192
Beverages, alcoholic	822	1,113	4,898	6,946
Beverages, distilled	685	906	4,227	5,870
Gums and resins	283	314	3,102	3,695
Oils, vegetable, not edible	698	937	9,219	10,250
Rubber	597	681	13,871	14,402
Rubber, crude	101	82	6,496	6,783
Seeds	87	103	1,441	1,471
Tobacco	181	315	1,551	2,297
Animals and animal products	3,411	6,159	32,536	41,474
Animals, living	111	130	1,226	1,517
Fish and fishery products, n.o.p.	223	376	2,697	2,801
Fish, fresh and frozen	98	308	1,962	2,220
Furs	1,369	3,594	9,706	18,151
Undressed furs	1,081	3,043	7,495	13,282
Hair and bristles	106	134	1,156	1,616
Hides and skins, raw	336	328	4,227	2,786
Leather, unmanufactured	325	357	2,721	3,229
Leather, manufactured	243	301	2,449	2,778
Animal oils, fats, greases and wax.	292	403	2,528	3,304
Animal products, other	189	394	3,036	3,644
Fibres, textiles and textile products	17,628	15,863	174,468	179,499
Cotton	9,658	8,008	83,922	80,204
Raw, and linters	5,764	3,836	37,025	35,234
Fabrics	2,831	3,108	34,373	32,362
Flax, hemp and jute	1,523	1,293	17,043	17,252
Yarn	149	112	1,219	1,531
Fabrics, jute	1,025	466	11,040	11,038
Silk	108	232	1,419	1,930
Fabrics	100	228	1,368	1,890
Wool	2,575	3,058	34,677	39,649
Raw wool	479	1,499	10,645	11,632
Noils and tops	282	484	5,575	6,158
Yarn	299	363	3,357	5,937
Worsted and serges	741	300	7,170	7,262
Fabrics, other	621	185	6,428	5,331
Artificial silk	1,575	981	15,541	19,375
Yarn, twist and thread	922	381	9,286	11,243
Fabrics	612	534	5,977	7,701
Fibres and textiles, other	913	828	7,519	6,836
Mixed textile products	1,276	1,463	14,347	14,254
Wood, wood products and paper	3,932	4,889	40,135	45,494
Wood, unmanufactured	471	684	5,766	6,037
Planks and boards	335	449	2,915	3,922
Wood, manufactured	672	732	6,442	7,849
Paper	1,169	1,212	11,190	12,175
Books and printed matter	1,619	2,262	16,737	19,434
Iron and its products	30,926	29,078	398,601	357,683
Iron ore	598	1,712	7,087	8,502
Pigs, ingots, blooms, billets	249	87	2,006	2,920
Castings and forgings	595	451	6,560	7,659
Rolling-mill products	4,682	4,443	47,383	50,939
Pipes, tubes and fittings	468	546	5,159	5,179
Wire	273	337	2,783	3,965
Chains	226	143	2,371	1,748
Engines and boilers	3,403	1,640	59,531	26,215
Farm implements and machinery	2,517	3,845	37,739	46,485
Hardware and cutlery	332	398	3,857	4,225
Machinery (except agricultural)	5,618	7,696	73,589	85,578

	Month of November		Eleven months ended November	
	1944	1945	1944	1945
	Thousands of Dollars			
Stamped and coated products	141	159	1,540	1,907
Tools	701	661	8,090	7,290
Vehicles, chiefly of iron	6,944	3,728	88,662	73,289
Automobiles, freight	47	66	1,907	1,871
Automobiles, passenger	283	141	2,313	2,712
Automobile parts	6,185	3,302	73,651	64,618
Non-ferrous metals and their products.....	7,602	7,131	99,383	93,306
Aluminium	630	636	12,543	9,126
Brass	320	401	6,972	4,102
Copper	59	123	592	1,054
Nickel	74	164	850	1,334
Precious metals, except gold	110	215	1,156	4,970
Tin	822	17	1,315	5,031
Clocks and watches	184	1,040	4,254	6,716
Electrical apparatus	3,739	3,117	54,495	40,193
Radio and wireless apparatus	1,904	669	31,805	14,925
Non-ferrous metals, other	1,411	1,090	13,846	17,414
Non-metallic minerals and their products.....	24,682	22,840	252,855	244,775
Asbestos	151	141	1,842	2,025
Clay and products	1,394	885	11,571	12,244
Coal and products	10,984	10,610	114,854	105,705
Coal	10,164	9,602	105,460	94,089
Coke	799	840	9,114	10,433
Glass and glassware	1,402	1,282	12,783	14,779
Petroleum products	8,632	7,886	91,935	88,642
Stone and products	828	830	9,880	9,274
Non-metallic minerals, other	1,233	1,148	9,402	11,465
Chemicals and allied products	6,654	6,757	74,962	73,123
Acids	346	235	2,912	3,044
Cellulose products	425	500	4,519	4,885
Drugs and medicines	705	753	6,948	8,758
Dyeing and tanning materials	649	854	6,477	7,465
Fertilizers	377	441	3,949	3,363
Paints and varnishes	631	725	6,908	7,937
Inorganic chemicals, n.o.p.	891	983	11,280	10,280
Soda and compounds	436	305	4,334	3,368
Chemical products, other	2,381	2,120	25,510	25,545
Miscellaneous commodities	31,561	27,604	362,114	216,777
Amusement and sporting goods	249	317	1,978	2,671
Containers, n.o.p.	159	158	1,486	1,437
Household and personal equipment, n.o.p.....	751	1,070	5,135	7,368
Refrigerators and parts	22	153	121	436
Scientific and educational equipment.....	729	872	7,872	8,510
Ships and vessels	100	6	603	3,315
Vehicles, except iron	4,456	444	60,346	16,165
Aircraft (excluding engines)	4,435	407	60,078	15,768
Paintings and other works of art	95	81	933	934
Miscellaneous commodities, other	24,929	24,524	283,074	175,185

TRADE REGULATIONS AND TARIFF CHANGES

Canada

GREEN LABEL LETTER POST ADOPTED

The Canadian Post Office Department, in its Weekly Bulletin of January 5, announced the adoption by Canada of the green label service, which permits the sending of dutiable articles to certain countries by letter post.

In future, a green (customs) label, No. 185, is to be affixed to the address side of each letter or letter package prepaid at letter rate and containing articles which may be liable to customs duty, when addressed for delivery

in countries which have expressed a willingness to accept such articles in the letter post, or when sent at the risk of the sender to countries which have not advised whether or not they are willing to accept such articles.

Information as to the countries to which the new service applies will be available from local post offices.

Dutiable articles sent by letter post without the prescribed green label to countries which have adopted this service are liable to forfeiture.

The label is not, under any circumstances, to be employed on parcel post packages.

United Kingdom

LICENSING WAIVED FOR GOODS IMPORTED FOR REPAIR

With reference to the article in *Commercial Intelligence Journal*, No. 2178 (October 27, 1945), page 411, announcing relaxation of import licensing restrictions as regards goods imported into the United Kingdom by post for repair and subsequently re-exported by post, the Import Licensing Department on January 7 issued Notice to Importers No. 173 extending the concession to goods for repair when imported otherwise than by post. Notice 173 reads:—

In Notice No. 167 issued by the Import Licensing Department on the 6th October, 1945, it was announced that import licences will not be required for goods which are imported by post for repair and subsequently re-exported by post. The Board of Trade have now extended this concession to goods requiring repair imported and re-exported otherwise than by post.

Eligibility for this concession must in each case be established to the satisfaction of the Officer of Customs and Excise at the place of importation. On exportation, in cases where the production of an export licence would normally be necessary, export will be allowed without licence provided that

the Officer of Customs and Excise is satisfied as to the identity of the article exported with that imported under this concession. The concession does not relieve importers from compliance with normal Customs' requirements as regards goods liable to duty and/or Purchase Tax.

"Repair" for the above purpose includes cleaning, polishing, overhaul (including replacement of minor parts) designed to restore the goods to their original condition.

Brazil

INCREASED DUTIES ON WINDOW GLASS REVISED

With reference to notice in *Commercial Intelligence Journal* No. 2108 (June 24, 1944), page 558, and No. 2111 (July 15, 1944), page 57, regarding increases in Brazilian duties on window glass, Mr. M. Belanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, reports that a Brazilian decree-law of December 15, 1945, has revoked the decree-law making these increases. Duties on window glass consequently revert to their former rates of 1 cruzeiro per kilogram (2.6 cents per pound) for glass up to 3.5 millimetres thick and to 1.30 cruzeiros per kilogram (3.35 cents per pound) for glass of greater thickness.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

1. *Bolivia*.—E. F. Fellgner, Casilla 292, La Paz, Bolivia. This firm is interested in acting as agents in the Bolivian market for the following Canadian products: piece-goods of cotton, rayon, wool and mixed; knitting wool; manufactured textile goods—stockings, towels, handkerchiefs, etc.; rayon yarns of

90-180 Denier; tools and tool machines; printers' and bookmakers' equipment and machines; engines and machines for power producing (Diesel, steam and waterpower); boilers, tubes for boilers; construction materials—screws; electrical goods, including heavy machinery and apparatus; lumber and plywood. File: C.E. 189.

2. *Chile*.—Wallace & Cia., Casilla 857, Valparaiso, Chile, are interested as buyers on their own account, or acting as agents for Canadian products: air cushions and mattresses; small portable bathroom scales; bicycles; drinking straws; cartridges, cellophane; field cultivators; sanitary pads; small low-priced automobiles; portable wooden houses; hardware; rubber overshoes and boots; cellulose tape and tape dispensers; Christmas tree decorations; rubber sundries for druggists; pick-ups and record-playing motors; rubberized bags and cases; transfers; radio receivers; radio spare parts and materials; radio tubes; radio transmission spare parts (transformers, tubes, etc.); electric household appliances (egg beaters, washing machines, floor waxers and cleaners; ice

cream makers, etc.); garden tools, microphones; toys; novelties; rubber toys; children's story books and painting books; glass marbles; microphone pedestals; electric refrigerators; novelties in wood, metal, plastics, leather, rubber or celluloid; roller skates and parts; ping-pong balls; cathode ray oscillographs and other radio testers. File: C.E. 160.

3. *Chile*.—W. W. Watson, Casilla 157, Punta Arenas, Chile. This is an energetic firm, well reported on, who have expressed interest in acting as agents for the following Canadian products: printed satin, rayon

piece-goods, lace, muslin, curtain material. File: 19012.

4. *Chile*.—F. M. Weisner, Casilla 574, Santiago, Chile. Interested in acting as agents for Canadian manufacturers of the following products: all rubber and leather sports goods—such as tennis and golf balls, footballs, rugby balls (but excluding baseball mitts and other equipment as this game does not seem to be played in Chile); sports shoes of all kinds; fishing equipment; shotguns and hunting equipment; sportswear (sweaters, shorts, ski caps, etc.). File: C.E. 190.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Jan. 7	Nominal Quotations Jan. 14
Argentina ..	Peso	Off. .3290 Free .2713	.3290 .2702
Australia ..	Pound	3.5600	3.5600
Belgium and Belgian Empire ..	Franc	.0251	.0251
Bolivia ..	Boliviano	.0263	.0263
British West Indies (except Jamaica) ..	Dollar	.9271	.9271
Brazil ..	Cruzeiro	Off. .0670 Free .0572	.0670 .0572
Chile ..	Peso	Off. .0571 Export .0442	.0571 .0442
Colombia ..	Peso	.6296	.6296
Cuba ..	Peso	1.1050	1.1050
Czechoslovakia ..	Koruna	.0221	.0221
Denmark ..	Krone	.2301	.2301
Ecuador ..	Sucre	.0818	.0818
Egypt ..	Pound	4.5641	4.5641
Eire ..	Pound	4.4500	4.4500
Fiji ..	Pound	4.0181	4.0181
Finland ..	Markka	.0081	.0081
France ..	Franc	.0092	.0092
French North Africa ..	Franc	.0157	.0157
French Pacific ..	Franc	.0222	.0222
Haiti ..	Gourde	.2210	.2210
Hongkong ..	Dollar	.2781	.2781
Iceland ..	Krona	.1706	.1706
India ..	Rupee	.3337	.3337
Iraq ..	Dinar	4.4500	4.4500
Italy ..	Lira	.0111	.0111
Jamaica ..	Pound	4.4600	4.4600
Mexico ..	Peso	.2274	.2274
Netherlands ..	Florin	.4162	.4162
Netherlands West Indies ..	Florin	.5855	.5855
New Zealand ..	Pound	3.5779	3.5779
Norway ..	Krone	.2225	.2225
Palestine ..	Pound	4.4500	4.4500
Peru ..	Sol	.1713	.1713
Philippines ..	Peso	.5525	.5525
Portugal ..	Escudo	.0445	.0445
Spain ..	Peseta	.1011	.1011
Straits Settlements ..	Dollar	.5192	.5192
Sweden ..	Krona	.2633	.2633
Switzerland ..	Franc	.2569	.2569
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4500	4.4500
United Kingdom ..	Pound	4.4500	4.4500
United States ..	Dollar	1.1050	1.1050
Uruguay ..	Peso	Controlled .7274 Uncontrolled .6220	.7274 .6220
Venezuela ..	Bolivar	.3298	.3298

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

Acting Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation to the Netherlands, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

RELAXATIONS IN UNITED KINGDOM TIMBER CONTROL

By H. L. E. PRIESTMAN, *Canadian Trade Commissioner in London*

In view of the importance of the United Kingdom market to Canadian timber producers and exporters, considerable interest is attached to a new scheme which has been adopted relating to the distribution of timber in the United Kingdom, and which relaxes in a number of directions, as from February 1, the complete control exercised during the war by the Timber Control.

While complete freedom for the trade is not yet practicable, the scheme is intended to be the first measure towards diverting the commercial tasks now performed by the Timber Controller into normal trade channels. The effect will be to disperse the Timber Controller's purchases of wood into private ownership and will permit timber importers, merchants and dealers to revert, subject to certain limitation, to their customary function of buying and selling on their own account.

Centralized Buying

It is proposed that government buying in overseas markets and freighting to the United Kingdom will continue for such period as may be rendered necessary by future conditions.

The "national stock" will remain in the hands of the Timber Control for supplying the needs of the country as at present, and until the new scheme starts to operate, goods arriving from abroad will be added to, and form part of, the "national stock" under existing arrangements.

The new system of allocations will not apply to the "national stock," which will continue to be distributed under licence as at present.

Re-sale of New Imports to the Trade

As soon as the supply position warrants the dispersal of imports into individual ownership, all newly arriving goods will be offered for re-sale to the trade on a quota basis, on terms

and conditions determined by the Government, and the services of the agents and brokers will be utilized as *del credere* selling brokers. The then existing "national stock" will be available to supplement the imports acquired by the trade.

A company called "National Softwood Brokers, Limited," fully representative of the agents and brokers, has been formed to implement the above plan. Certain specialties, to be named later, may be excluded from the Company's operations.

The Company will be provided with a list of firms to whom it will be authorized to sell. This list will consist of all firms on the original quota-holders' list (i.e., excluding retail dealers), whose quota is of sufficient size to permit, and who are prepared to make, an original purchase of not less than 100 standards at a time, with any subsequent purchases of not less than 50 standards at a time. It is explained that this arrangement is considered the most practical and suitable to cover the transitional period. It is not the intention to create any precedent for determining the eligibility of timber traders to purchase at first-hand from shippers abroad when private importation is resumed.

Allocations

Provisional allocations of goods to arrive will be made in sterling for six-monthly periods, both to first-hand buyers and to "buyers at second-hand," and will be based on a conservative estimate of the quantity expected to arrive during the period. Provision is also made for inter-merchant trading; and to promote distribution, stockholders will be expected to make their stocks freely available to other stockholders, if need be on a basis of reciprocity.

Trade Buyers Committee

A representative Committee of first-hand buyers and "buyers at second-hand" will be set up to ventilate with the brokerage company any complaints regarding the division of the goods among the buyers, with provision for direct access to the Timber Control when accommodation cannot be reached. This Committee will also be available to advise the Control on the distribution of imports, the disposal of the "national stock" and all matters affecting trade buyers in the operation of the scheme.

Prices, Terms of Sale, Dealers Remuneration

National Softwood Brokers, Limited, will be instructed, subject to certain reservations, to endeavour to dispose of all arrivals on "ex-ship" terms, but provision will be made for the landing and storing of occasional balances not so disposed of.

The Timber Control will issue from time to time a list of maximum "ex-ship" prices, which will be identical for all ports of entry and the Company will invoice goods to first-hand buyers at those maximum prices, less a fixed percentage deduction. The "ex-ship" price list, less a stated percentage deduction, will constitute the maximum prices at which first-hand buyers may sell to "buyers at second-hand" on "ex-ship" terms within the latter's allocation.

Both classes of dealers will be entitled to add to the maximum "ex-ship" selling prices a reasonable charge for services and expenses, and the total amount of such charges will be shown separately on the invoice.

The Timber Control proposes to draw up as a guide a schedule of charges which are considered reasonable in relation to the current average cost in the areas of each of the principal ports of entry, for taking goods from "ex-ship", piling away and re-delivering on to transport; also for piling and re-delivering at any inland premises, including smaller ports drawing supplies from ports of entry. The schedule will not be published but will be used by the Control in collabora-

tion with the Trade Buyers Committee in dealing with any complaints of unreasonable charges. This schedule will normally be applicable in the case of sales made by the new company on landed terms.

The "national stock" remaining in the hands of the Timber Control, whether in the ports, established inland yards or on dispersal sites, will continue to be sold to consumers against licences at fixed prices, and the dealer's profit margin will be a percentage deduction from these prices as at present. The system of a ceiling profit on exceptionally high-priced goods will continue to apply.

When the "national stock" is no longer required to supplement the trade's holdings of new importations, or has become so reduced as to make its disposal against consumers' licences impracticable, the balances will be disposed of in bulk to the trade. It is not considered that this will entail any difficulty, and the method to be adopted will depend upon the then existing circumstances.

Licensing

As long as the demand for timber appreciably exceeds the supply, the Materials Committee (or another high-level committee, with similar functions) must continue to ration bulk quantities of timber to claimant departments, and through them to claimant industries.

Claimant departments will need to maintain priority officers to deal not only with the release of timber by means of certificates to purchase, but with the rationing of other materials in short supply.

It is assumed that the Timber Control licensing machinery, approximating its existing form, will continue for a limited period, especially as stocks are at a very low ebb and strict economy and the conservation of certain grades and species are still necessary. The Timber Control will formulate from time to time a list of restricted species, dimensions and grades, and special procedure will be devised to regulate releases of these varieties.

NEW PRICING AND SUBSIDY POLICIES FOR CANADIAN IMPORTS

By DENIS HARVEY, *Director, Import Division*

The announcement by the Wartime Prices and Trade Board of a new policy covering the pricing procedure for goods imported from certain designated countries will be of keen interest to the Canadian import trade. The new procedure will apply to goods entered at customs on or after January 21, 1946, and the Board's announcement states that, in making application for fixation, importers will be required to certify the date on which the goods are entered at customs. The policy will not result in any change in maximum prices for goods imported before that date.

The new policy is designed to establish prices on imported goods at levels which will facilitate their importation and thus avoid their exclusion by the application of the price ceiling.

New Pricing Procedure

This new procedure will be applicable primarily to imports from Allied countries where price increase consequent upon the physical ravages of war has the effect that goods cannot be imported and sold in Canada at basic-period price levels.

The procedure will not apply to goods which are eligible for subsidy under the revised statement of policy with respect to subsidies, nor will it apply to goods which are being bulk-purchased by the Commodity Prices Stabilization Corporation Limited. The announced changes in subsidy policy are discussed below.

MAXIMUM PRICES

There has been no change in the routine for establishing maximum prices. Application for the fixation of maximum prices with respect to goods imported from the countries designated will still be required from importers of the goods. These applications will be made to the Administrator of Distributive Trades under the provision of the Board's Order No. 414. Instruc-

tions have been given to the Administration to price goods on a basis which will permit their importation, but importers and others handling such goods will not be given normal mark-ups on the goods and will be required to accept some reduction in mark-ups.

The new procedure will result in some addition to the supply of consumers' goods available to the public. These goods may appear to be high-priced but they will be, for the most part, specialty goods and will constitute an addition to the available supply. They will be principally those goods which have not been available for some years past and so it is not expected by the Board, in these circumstances, that this procedure will, in fact, result in any effective increase in the cost of living. In so far as such goods are comparable with domestic goods, they will no doubt have to meet domestic price competition. Goods to which this procedure applies will be required to be identified as to country of origin when offered for sale and Board Order No. 595 has been issued to that effect.

COUNTRIES AFFECTED

The countries to which this new pricing procedure is now applied are as follows:—

Europe.—United Kingdom (which includes Northern Ireland), France, Belgium, Netherlands, Norway, Luxembourg, Poland, Greece, Yugoslavia, Albania, U.S.S.R., Czechoslovakia.

Asia.—China, British India, Burma, Ceylon.

New Subsidy Procedure

The new policy with respect to payment of subsidies on imports from the Commodity Prices Stabilization Corporation Ltd. will be of interest to every importer and copies of the statement have been mailed to all importers who, in the past, have claimed subsidy

from the Corporation. Additional copies are available from the C.P.S.C. to all interested persons.

The former policy described broadly classes of goods which were eligible for import subsidy and specifically listed by schedules classes of goods either:—

(a) eligible for subsidy only if the arrangement respecting payment of subsidy had been entered into with the Corporation prior to importation, or

(b) absolutely ineligible for subsidy. All other goods were eligible for subsidy if they fell within the broad classification set forth in the statement of policy.

It is announced that, with the increasing volume of goods becoming available from foreign countries and the necessity of restricting subsidy payments as much as possible, it has been

necessary to review the basis upon which import subsidies are being paid. After careful review of all payments of subsidy made to date, it has been found possible to state the new policy with respect to imports in a positive fashion.

Two Schedules are now promulgated by the Board in connection with the announcement of the new policy:

Schedule 1 contains goods which are eligible for subsidy and Schedule 2 contains goods which are eligible for subsidy only if an arrangement has been entered into with the Corporation prior to importation. All other goods are ineligible. Further additions and/or deletions from the Schedules may be made by the Board from time to time as circumstances require and notices of such changes will be given to the trade.

ECONOMIC NOTES ON SWITZERLAND

By YVES LAMONTAGNE, *Commercial Secretary, Canadian Embassy at Paris*

(One U.S. dollar equals 4·13 Swiss francs)

With its population of 4,250,000 inhabitants, Switzerland was faced with numerous problems at the outbreak of the war in 1939. In 1936 the Swiss had manifested their spirit of independence by subscribing 332 million francs as a national defence loan and, as a result of measures taken since 1933, the country was ready to meet the emergency and to mobilize, on September 1, 1939, about 500,000 men, this number being increased finally to 900,000 or nearly 20 per cent of the total population. The financial sacrifices of the country have been very heavy, expenses incurred for defence amounting to 9 billion Swiss francs for the period 1933 to 1945.

In 1938 the Federal Council ordered an inventory to be taken of stocks of essential commodities available in the country. It also took steps to increase agricultural and forestry production and to ensure the proper functioning of transportation in time of war. In April, 1939, the people were ordered to constitute an "iron ration."

Though a live-stock producer, Switzerland was forced to reduce its production of meat and milk during the war and to institute rationing. The country was faced with a serious problem in respect to ensuring supplies of raw materials, and stocks of fuel soon diminished. Before the war, Switzerland consumed an average of 3·5 million tons of coal. Imports of this fuel practically ceased during 1945, and at the end of the year their volume was only about 33,000 tons a month. The lack of rubber and gasoline almost brought automobile circulation to a stop, and foreign trade in 1944 was reduced to about one-third of the 1938 level.

The return of peace has not ended the Government's task of providing the country with supplies of essential commodities. Expenditures for production will follow expenditures for war, and for this reason a new government loan of 500 million francs was called for at the beginning of June, 1945. Subscriptions totalled 952 million francs.

Agriculture

Swiss agriculture is characterized by an extensive parcelling and division of landed property, and the average area of a farm is about 15 acres. In 1938 there were 320,000 acres cultivated under cereals, which are the main crop. Pasturage is important, being the foundation for cattle breeding and milk production. In 1934 Swiss herds totalled 1,568,738 head, including 882,264 cows. Milk production was 3,070 kilograms per cow in 1938, the total yield being 636 million gallons, of which 35 per cent was consumed in the liquid state, while 48 per cent was devoted to the manufacture of cheese (53,700 tons), butter (30,000 tons) and condensed, sterilized and powdered milk (9,000 tons), the remainder being used as cattle feed.

On and after September 2, 1939, all persons of both sexes from 16 to 50 years of age were submitted to compulsory labour, this measure being aimed primarily at increasing the number of agricultural workers. Before the war the total area under cultivation was 450,000 acres, and plans were made to increase this total to about 1,250,000 acres. By 1942 the acreage reached 750,000 and in 1943 it exceeded 870,000. Auxiliary workers were put on the farms to increase production; their number rose from 63,000 to 145,000 in 1944. Every effort was made to increase the production of wheat and potatoes, live-stock raising being reduced in the process.

Industry

Switzerland's industry is very diversified and, in spite of the difficulties arising out of the war, activities were maintained and even increased in several branches. Thus, for instance, the production index for the silk and artificial silk industry, which was 103 during the second quarter of 1939, stood at 128 during the same period in 1944 and in 1945. The index for the lumber industry rose from 111 during the second quarter of 1939 to 119 and 131 for the same periods in 1944 and 1945 respectively. Indices for the second quarters of 1939, 1944 and 1945

in the clock and watch industry were respectively 87, 90 and 125. For the whole of the manufacturing industries, the general indices for these three periods were respectively 118, 108 and 116.

Cost of Living and Wages

While the Government endeavoured to stabilize prices by financial and fiscal measures aimed at reducing purchasing power by price control and rationing and by granting subsidies to agriculture, prices doubled from 1938 to 1944, due mainly to an increase of 155 per cent for imported goods as compared with only 75 for domestic products. Average wholesale price indices for the year 1938 and for the seven months ending July, 1945 (within parentheses), are as follows: foodstuffs, 100·6 (190·5); raw materials, 98·5 (240·4); feedstuffs and fertilizers, 98·5 (182·6); general index, 99·7 (206·7).

The cost-of-living index has risen as follows from 1940 to the end of July, 1945 (the latter index within parentheses): foodstuffs, 112 (165); heat, light and soap, 115 (144); clothing, 121 (212); rentals, 100 (102); general index, 110 (153).

As a result of the rise in the cost of living, wages have been increased. Up to the end of the first quarter of 1945, wages in industry (nominal hourly gains) have risen, on an average, by 44·2 per cent, which represents 82·1 per cent of the increase in the cost of living since 1939.

In September, 1945, persons engaged in manufactures and the small crafts totalled 850,000; in agriculture, 420,000; in commerce and finance, 230,000; in the hotel trade, 210,000. Although the number of tourists visiting Switzerland during the war decreased, the hotels continued to flourish, owing to an increase in the national clientele, the number of local clients rising from 1,836,000 in 1940 to 2,550,000; foreign visitors decreasing from 130,000 to 75,000.

Finances

The situation in respect to public finances is reflected in the following table, which shows the extent to which

gold flowed into Switzerland during the war:—

	Gold Reserve in the National Bank	Notes in Circulation
1940	2,173	2,273
1941	2,871	2,337
1942	3,565	2,637
1943	4,173	3,049
1944	4,577	3,548
1945 (Oct.).	4,695	3,618

Whereas the gold reserve doubled in five years, the monetary circulation increased only 55 per cent. The consolidated debt rose from 1,931 million francs in 1939 to 5,554 millions in 1943 and 6,753 millions in 1944. From 1939 to 1944, expenditures under the extraordinary budget for defence and national economy totalled 6,824 million francs, and from 1934 to 1944 they amounted to 7,034 million francs, amortized by 1,870 million francs or about 26.5 per cent. The ordinary budget for 1939 showed receipts of 581 million francs against expenditures of 634 millions, leaving a deficit of 53 million francs. This deficit has increased yearly; it amounted to 208 million francs in 1944, expenditures and receipts standing at 531 million and 323 million francs respectively.

Foreign Trade

For several years before the outbreak of hostilities, Switzerland's foreign trade had been considerably influenced by the shadow of war, and Switzerland had begun to build up stocks of essential commodities. After the entry of Italy into the war in June, 1940, and as a result of the extension of the maritime blockade of the countries under Germany's control, the trade of Switzerland with overseas countries fell considerably. Ocean freight and insurance rates became prohibitive in many instances.

In 1941 the foreign trade of Switzerland was greatly influenced by the

extension of the theatre of war and, while imports decreased in quantity, they increased in value, as Table 1 shows. In 1942 and 1943 imports and exports again fell off in quantity. In 1944 there was a pronounced drop in foreign trade.

Imports during the first nine months of 1945 were lower in volume than during the corresponding period of 1944 by about 75 per cent, owing mainly to the almost complete interruption of imports of coal, iron ore and other raw materials, while exports were down one-half. As compared with the first nine months of 1944, a greater volume of manufactured goods was exported during the same period in 1945, and the increase is reflected to an even greater extent in values, owing to the rise in prices.

Table 2 shows the foreign trade of Switzerland by main countries of origin and destination during the first nine months of 1945 as compared with the 1938 calendar year.

As Table 2 shows, the principal suppliers during the first nine months of 1945 rank as follows: France, Argentina, Spain, Germany, United States, Canada and Italy. Switzerland's leading markets during that period were the United States, France, Spain, Sweden, Argentina and Brazil.

Pre-war Trade with Canada

There is a considerable discrepancy in the statistics of trade between Canada and Switzerland, as published by the two countries, imports into Switzerland from Canada, as published by the former country, being considerably higher than those shown in official Canadian statistics. This is explained by the fact that Canadian exports to Switzerland are largely effected in transit through Belgium and Holland

TABLE 1
Swiss Imports and Exports, 1941 to 1945

	Imports		Exports		Adverse Balance Million Francs
	Thousand Tons	Million Francs	Thousand Tons	Million Francs	
1930	8,772	1,889	548	1,298	592
1940	6,220	1,854	510	1,316	538
1941	4,900	2,024	523	1,463	561
1942	4,422	2,049	405	1,572	477
1943	4,071	1,727	368	1,629	98
1944	2,680	1,186	310	1,132	54
1945*	623	585	116	1,001	416†

*First nine months; † favourable balance.

TABLE 2
Swiss Foreign Trade by Principal Countries, Jan.-Sept. 1945 and 1938

	Imports				Exports			
	Million Francs		Per Cent of Total		Million Francs		Per Cent of Total	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	1945	1938	1945	1938	1945	1938	1945	1938
Germany	49.8	373.1	8.5	23.2	10.6	206.1	1.1	15.7
France	85.8	229.2	14.7	14.3	93.7	121.4	9.4	9.2
Italy	29.7	116.7	5.1	7.3	2.6	91.2	0.3	6.9
Belgium	13.7	68.9	2.3	4.3	18.3	41.8	1.8	3.2
Great Britain ..	3.8	95.0	0.6	5.9	20.8	148.1	2.1	11.2
Spain	51.6	5.4	8.8	0.3	82.3	5.1	8.2	0.4
Portugal	14.0	4.5	2.4	0.3	44.2	7.8	4.4	0.6
Sweden	15.7	18.5	2.7	1.2	70.3	40.6	7.0	3.1
Turkey	29.5	6.5	5.0	0.4	33.9	3.9	3.4	0.3
Canada	35.7	24.1	6.1	1.5	26.5	14.7	2.6	1.1
United States ...	44.4	125.3	7.6	7.8	273.8	90.7	27.3	6.9
Brazil	28.5	11.8	4.9	0.7	48.5	16.6	4.8	1.3
Argentina	65.3	58.4	11.2	3.6	69.0	35.8	6.9	2.7

and are credited to those two countries in Canadian trade returns.

According to Canadian figures, Canada's total exports to Switzerland during the fiscal year ended March 30, 1939, were valued at \$773,970, the chief exports being: copper and manufactures (\$251,410); wheat (\$129,540); rubber tires and tubes (\$111,635); lumber (\$74,580); aluminium and products (\$24,900); electrical apparatus (\$38,670); upper leather (\$22,200); and paper products (\$10,310). Imports into Canada from Switzerland in 1938-39, as shown in Canadian returns, totalled \$3,000,760, including watch actions and parts (\$889,065); aniline dyes (\$497,830); watches (\$156,320); engines and boilers (\$167,715); textile goods (\$104,070); machinery other than agricultural (\$85,645); dynamos, generators and parts (\$60,820); alumi-

nium and manufactures (\$31,210); electric transformers (\$27,050); electric switches, etc. (\$16,940); and electric motors (\$11,705).

As shown in Swiss statistics, Switzerland's purchases from Canada during the calendar year 1938 totalled 24.1 million francs as against exports of only 14.7 millions to Canada. Switzerland's exports included watches (5.5 million francs), machinery (2.1 million francs, of which about half were electric dynamos), and aniline dyes. Eighty per cent of Switzerland's purchases from Canada consisted of wheat, the balance including rye, oats, barley, copper rods and wire.

While Canadian figures show an excess of imports from Switzerland over exports thereto, Swiss statistics reveal an excess of imports from Canada over Swiss exports.

NEW YORK FROZEN-FOOD FAIR

By L. H. AUSMAN, *Canadian Trade Commissioner at New York*

A frozen-food fair and homemakers' institute is to be held at the Park Avenue Armory, New York City, from March 27 to 31 inclusive. This exposition will be held in conjunction with the Fifth Annual Convention of the Frozen Food Institute Incorporated. Conferences will be scheduled every day during the convention, which will bring together various branches of the industry, including the heads of consumer groups and other allied organizations.

Engineers, chemists, packers, processors, brokers, wholesalers, distributors and retailers will be represented at the

fair, where exhibits will cover 44,000 square feet of area. In addition, an auditorium seating 1,000 persons will provide accommodation for lectures, cooking demonstrations, dietetic clinics and health institutions. Other features are expected to include a modern kitchen and a completely erected and equipped prefabricated house.

This exhibition is said to afford the first opportunity to the frozen-food industry to direct its effort towards consumer interest on a large scale, and plans are being made to hold similar exhibitions in five other key cities of the United States in 1946.

TEN-YEAR DEVELOPMENT PLAN FOR JAMAICA

By M. B. PALMER, *Canadian Trade Commissioner at Kingston*

The proposals in a ten-year plan of development for Jamaica under the Colonial Development and Welfare Schemes have been published for the information of the public. It is pointed out that the plan sets out proposals and not decisions, and that comment and criticism are invited in advance of its consideration by the Legislature.

It is intended that the plan, whatever its final approved form, should not be binding, but rather that modifications and adjustments may be made in accordance with the financial and economic position from year to year. It is realized that the plan does not cover all the objects considered desirable, but comprises the maximum of projects which can be undertaken after a careful review of the estimated revenues and resources of the Colony.

The plan is designed to put into effect both an economic and a social policy, the main objects being threefold, namely: to increase the productive capacity of the country; to meet the urgent need for improvement of the social and economic condition of the people; and to prepare for more ambitious undertakings in the future.

The total cost over the ten years of carrying out the proposed schemes provided in the plan is £19,583,750, of which the British Government is responsible for £6,500,000 under the Colonial Development and Welfare Act. Allowing for a reserve of £400,000, this leaves a balance of £13,483,750 to be found from Jamaica funds, to be raised from surplus balances, loans, and additional taxation.

Classification of Schemes

The plan envisages schemes undertaken on a priority basis. Those in priority A are in the majority and are to be started in the first year, with those in B, C and D to be commenced in order of importance and urgency. The schemes fall under six main headings subdivided as follows:—

Agriculture.—Department extension; credit education; scholarships; land

tenure experiments; subsidies; irrigation and swamp reclamation; soil rehabilitation; hay industry; coffee rehabilitation; purchase of machinery; afforestation; land settlements; co-operatives; and research.

Communications.—Montego Bay airport; Kingston Harbour survey; roads; railway; Palisadoes airport; and broadcasting.

Education.—Elementary school building; teachers' training; post-primary schools; physical training; play centres; books and stationery; vocational training; playgrounds; building, water and sanitation in schools.

Public Health.—Housing schemes; slum clearance; rural health; disease control; bureau of health education; mobile medical units; rehabilitation of patients; hospital building; river and water supply surveys; and tanks for dry areas.

Social Welfare.—New officers; scholarships; farm prison; meals for school children; almshouses; repairs; welfare of the blind; and children's farm homes and refuges.

Miscellaneous.—Triangulation surveys; tourist trade; animal dispensary; departmental staff; statistical bureau; re-absorption into civilian life; works and buildings; Institute of Jamaica; and assistance to fishermen.

Financing the Plan

The expenditure of the total sum of £19,583,750 under the six departmental headings is set out in the accompanying table.

By providing £500,000 for unforeseen changes, the total cash requirement becomes £20,085,000, not including any loan charges; while there will be a continuing recurrent annual expenditure, following the completion of the plan, of £820,000. It is considered that the major portion of expenditure should take place during the earlier years of the plan, in the anticipation that the

Proposed Expenditure on Jamaica's Development Plan

	Capital expenditure over 10 years £	Recurrent expenditure over 10 years £	Totals £	Continuing recurrent expenditure after 10th year £
Agriculture	2,855,728	1,513,709	4,369,437	132,081
Communications	2,074,993	.....	2,074,993	.....
Education	2,223,049	1,458,803	3,681,852	306,012
Public Health	4,129,259	1,863,464	5,992,723	230,900
Social Welfare	305,892	1,712,222	2,018,114	144,200
Miscellaneous	1,329,000	62,631	1,391,631	6,380
Grand totals	12,872,921	6,625,599	19,583,750	819,575

effect will be to increase revenue progressively and on the principle that the developments themselves will be remunerative.

At the outset the actual sources of the annual financial requirements are speculative, but provision is made on an estimated basis over the period of

obtaining annually £54,000 from surplus revenue; £90,000 from cessation of war bonuses' payments; £75,500 by decreasing reserve fund contributions; £250,000 from increased revenues; £300,000 from loans, and £786,400 from additional taxation, to cover Jamaica's share of the required funds.

FREE PORTS PROPOSED FOR MEXICO

By D. S. COLE, *Commercial Counsellor, Canadian Embassy at Mexico City*

The Mexico City press of December 31 states that four free ports may be requested by President Manuel Avila Camacho as part of his Government's program to advance national, domestic and foreign commerce. The four ports suggested are Salina Cruz and Matias Romero in the State of Oaxaca, Topolobampo in Sinaloa, and Puerto Mexico on the Gulf Coast in the State of Veracruz.

The suggested presidential measure is believed to provide for the acquisition by expropriation of all fixed or movable properties for the establishment and operation of these ports.

Complete exemption from import and export and special excise taxes on merchandise entering and leaving these ports is believed to be provided by the proposed measure. It stipulates that foreign products or merchandise can be moved from these free ports upon the payment of import duties and that foreign raw materials for the manufacture of products in the free ports must pay import taxes when these commodities leave the ports. Except by special permit of the Ministry of National Defence, the manufacture of arms or ammunition in the free ports is forbidden.

Combustibles and lubricants and other articles used by industries established in the ports may freely enter; also machinery which is necessary for the establishment of industries in these free ports. No trading will be allowed in fixed properties in the ports, for these are recorded as belonging to the Federal Government.

It is indicated that the Ministry of Finance will operate the free ports through a decentralized council and that funds for their operation will be provided by the Federal Government as well as the various states and municipal administrations. Each member of the directive service will serve for a period of five years.

PREVIOUS DECREE IN 1939

It is found on examining the records of this office that a similar Mexican decree was published in the *Diario Oficial* of October 17, 1939, which gave authorization for the establishment of the same free ports as is mentioned in the most recent publication. Organization was placed in the hands of a board of directors and the same regulations as above mentioned were then authorized but never brought into effect.

PERU'S ECONOMY AND FOREIGN TRADE

III

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

TRADE WITH CANADA

In addition to those reviewed in the preceding instalment, Peru imported from Canada before the war in fairly substantial values a number of commodities, the imports of which declined or ceased during the war due to supply shortages or other wartime factors. Many of these are likely to be of interest again to Peruvian purchasers.

Principal Imports from Canada in 1938

The following paragraphs contain a resumé of the principal imports from Canada in 1938, additional to any already dealt with; all items being included which were imported from Canada in that year to a value exceeding S/10,000, as recorded in Peruvian trade returns. The figures under each item show the total value of arrivals, the value of imports from Canada, and the shares of the principal suppliers in 1938 and also, for purposes of comparison, in 1944. In 1938, as earlier noted, the average value of the sol was approximately 3.96 soles per one United States or Canadian dollar.

STOCKINGS OF NATURAL SILK

1938.—Total, S/608,985; Canada, S/11,674; Germany, S/375,758; United States, S/156,900; Japan, S/47,389.

1944.—Total, S/1,499,803; Canada, nil; Brazil, S/1,464,352; Argentina, S/20,070.

There is likely to be a good demand for Canadian silk stockings as soon as they can be supplied. There is a local production of rayon stockings, but the quality, shape and colours are not nearly as attractive as imported supplies. The recent arrivals from Brazil are inferior to Canadian or United States makes.

NAILS OVER 25 MM. LONG

This heading covers both galvanized and other nails.

1938.—Total, S/439,218; Canada, S/20,222; United States, S/152,096; Germany, S/148,888; Belgium, S/75,616.

1944.—Total, S/815,553; Canada, nil; United States, S/788,778; Argentina, S/25,679.

Canada can obtain orders for these, provided prices are competitive with the United States.

LUMBER

Ordinary, in boards, planks, etc.—

1938.—Total, S/5,346,788; Canada, S/640,209; United States, S/4,413,167; Chile, S/253,778; Jugoslavia, S/35,798.

1944.—Total, S/10,409,139; Canada, nil; United States, S/6,791,546; Chile, S/3,555,964.

Planed, grooved and tongued, etc.—

1938.—Total, S/169,831; Canada, S/44,586; United States, S/124,221.

1944.—Total, S/346,203; Canada, nil; United States, S/232,242; Chile, S/113,181.

The price of local lumber is so high that there is continual interest by importers in Canadian supplies. As soon as freight space is available it may be expected that construction wood of all kinds will find a good market in Peru. On ordinary lumber in boards or planks, the first item above, the United States has a preferential rate of duty of S/0.05 per square metre as compared to S/0.06 on lumber from Canada. Certain varieties from Chile enter Peru duty free.

RAILWAY TIES

1938.—Total, S/832,651; Canada, S/15,810; United States, S/585,824; Chile, S/229,430.

1944.—Total, S/827,675; Canada, S/24,129; Chile, S/669,205; United States, S/128,939.

There is a continual demand in Peru for railway sleepers, but usually Canadian prices have been too high to permit volume business. The extent of possible trade is indicated by the above figures.

BOX SHOOKS

1938.—Total, S/1,593,718; Canada, S/848,799; Chile, S/494,594; United States, S/250,277.

1944.—Total, S/351,549; Canada, S/29,248; Chile, S/274,105; United States, S/47,655.

The demand for box shooks is not expected to reach the proportion of pre-war years, since the principal consumer, one of the large petroleum companies, has now altered its distribution system by the use of bulk deposits and no longer requires

large quantities of box shooks to make cases to contain gasoline and kerosene tins. Canadian shipments in 1944 were entirely for Talara.

ENAMEL PAINTS

1938.—Total, S/157,222; Canada, S/12,923; United States, S/95,022; Germany, S/32,672; Japan, S/9,216.

1944.—Total, S/337,697; Canada, S/23,093; United States, S/306,680.

Provided Canadian exporters can meet United States competition, there should be a market for some Canadian paints of this class in Peru.

PETROLEUM OILS USED AS LUBRICANTS

1938.—Total, S/1,651,066; Canada, S/49,101; United States, S/1,530,554; Great Britain, S/58,104; Germany, S/8,905.

1944.—Total, S/5,470,656; Canada, S/5,561; United States, S/5,464,874.

As will be noted, the total value of this item is quite high, but the share enjoyed by Canada is very small. Unless some particular product saleable at a low price or having special advantages were offered from Canada, it would seem difficult to compete with offerings from the United States.

LAMPS OF ALL CLASSES, EXCEPT ELECTRIC

1938.—Total, S/55,778; Canada, S/12,037; Germany, S/35,786; United States, S/5,618.

1944.—Total, S/11,378; Canada, S/4,813; Argentina, S/6,080; United States, S/485.

There appears to be a small market for these products and Canadian lamps enjoy a fair share of the trade.

CIRCULAR STONES FOR SHARPENING PURPOSES

1938.—Total, S/52,719; Canada, S/11,874; United States, S/23,235; Germany, S/8,892; Great Britain, S/8,084.

1944.—Total, S/251,438; Canada, S/12,225; United States, S/232,045; Great Britain, S/6,963.

There is a small market for these goods, most of the supplies being obtained from the United States.

INNER TUBES FOR BICYCLES AND MOTOR VEHICLES

1938.—Total, S/237,654; Canada, S/97,903; United States, S/100,708; Great Britain, S/13,161; Germany, S/11,255.

1944.—Total, S/826,154; Canada, S/407; Brazil, S/697,566; United States, S/118,864.

Inner tubes are now produced locally by a branch plant of one of the large international tire and tube firms, so that the general volume of imports in this line is likely to decline. However, the local factory may not be able to satisfy the entire needs of the country, in which case Canada might expect some share of the imports.

TIRES AND INNER TUBE PROTECTORS FOR MOTOR VEHICLES AND BICYCLES

1938.—Total, S/2,846,881; Canada, S/1,128,540; United States, S/1,218,849; Great Britain, S/188,481; Germany, S/105,466.

1944.—Total, S/5,912,785; Canada, S/2,059; Brazil, S/5,585,290; United States, S/166,231.

The remarks above concerning tubes also apply to this item.

BAGS OF SULPHITE, KRAFT, OR SIMILAR PAPER

1938.—Total, S/86,540; Canada, S/23,565; United States, S/53,696; Great Britain, S/2,946; Germany, S/2,760.

1944.—Total, S/9,221; United States, S/7,573; Argentina, S/1,546.

The decline in imports of paper bags is due to the increase in national production. It is doubtful if this item will again be of importance in trade with Canada.

SINGLE-COLOURED PAPER OF ANY KIND NOT SPECIALLY MENTIONED

1938.—Total, S/102,466; Canada, S/14,817; Germany, S/50,328; United States, S/15,946; Czechoslovakia, S/6,965.

1944.—Total, S/107,621; Canada, S/7,540; United States, S/89,988; Sweden, S/4,716.

Future sales of this item will depend upon whether or not prices are competitive.

PAPER ON REELS

1938.—Total, S/706,681; Canada, S/62,303; Sweden, S/492,861; Germany, S/59,051; Norway, S/36,974.

1944.—Total, S/66,547; Canada, S/11,235; Sweden, S/54,944.

There may continue to be a small market for this item, but local production now supplies the main part of the demand.

WALLPAPER

1938.—Total, S/113,263; Canada, S/15,003; Belgium, S/30,201; Germany, S/18,748; Great Britain, S/16,256.

1944.—Total, S/77,456; Canada, S/44,423; United States, S/29,219; Argentina, S/3,814.

In recent years Canadian wallpaper firms have enjoyed an increasing share of Peruvian business. This has been influenced by the elimination of certain European nations, principally Germany and Belgium, as sources of supply and by the curtailment and then disappearance of shipments from France, Great Britain and Japan.

Wallpaper is not manufactured in Peru, and postwar business will depend on whether Canadian firms can meet what competition appears. Prospects are reasonably favourable, although there is a growing tendency for walls to be painted rather than papered in the coastal zone due to the high percentage of humidity.

PAPER FOR MEASURING AND REGISTERING
MACHINES

1938.—Total, S/29,416; Canada, S/11,151; United States, S/10,926; Germany, S/4,012; Great Britain, S/1,352.

1944.—Total, S/36,804; Canada, S/9,761; United States, S/23,495; Switzerland, S/1,946; Argentina, S/1,176.

There would appear to be fair prospects for a limited trade in this commodity.

CORDAGE OVER 9 MM. IN DIAMETER

1938.—Total, S/638,014; Canada, S/54,744; Philippines, S/258,366; Great Britain, S/200,566; Belgium, S/45,117.

1944.—Total, S/1,281,149; Canada, S/3,349; Mexico, S/820,030; Cuba, S/294,089; Argentina, S/101,636.

Price appears to be the deciding factor in this item. The United Kingdom enjoys the old tariff rate fixed before a 20 per cent increase was made applicable to most customs duties in 1941.

PASSENGER MOTOR CARS

1938.—Total, S/6,575,419 (1,782 cars); Canada (1 car), S/16,858; United States (1,482 cars), S/5,852,480; Germany (209), S/570,821; Italy (39), S/94,016; Great Britain (9), S/31,965.

1944.—Total, S/878,352 (189 cars); United States (189 cars), S/878,352.

The majority of cars imported into Peru in 1938 and all imported in 1944 were from the United States. Under the United States-Peru agreement of 1942, imports from that country enter at rates which are the same but which are calculated on the legal weight (that is, without including the weight of the crate) instead of the gross weight. Also imports from the United States under this item are exempt from a customs surcharge of 2 per cent ad valorem, which is applicable to imports from any country not having a trade agreement with Peru. It remains to be seen whether, when cars become plentiful, these differences in rates will hinder imports from Canadian branch plants of international concerns. In pre-war years a number of cars did enter Peru from Canada.

RAILWAY AND TRAMWAY PASSENGER CARS
AND PARTS

1938.—Total, S/573,445; Canada, S/77,947; Switzerland, S/190,699; United States, S/158,284; Germany, S/109,399.

1944.—Total, S/373,463; all from the United States.

As will be observed there were imports under this item in 1938 from Canada, but none have been made recently. It is possible that this item may be of interest in view of the expanded capacity in Canadian production.

TRANSMISSION BELTS AND ROPES

1938.—Total, S/592,506; Canada, S/25,552; United States, S/301,839; Great Britain, S/136,806; Germany, S/62,597.

1944.—Total, S/1,502,616; United States, S/1,214,834; Brazil, S/153,926.

Future prospects for Canadian sales of this item do not appear large in view of the practical monopoly enjoyed by the United States. Brands from that country are well known in the Peruvian market and Canadian prices would have to be exceedingly attractive for Peruvian importers to place business for new marks.

MACHINERY FOR INDUSTRIES DIRECTLY CON-
NECTED WITH AGRICULTURE, MINING
AND SHIPPING

1938.—Total, S/2,158,775; Canada, S/97,615; United States, S/982,145; Germany, S/587,157; Great Britain, S/294,008.

1944.—Total, S/1,498,730; Canada, S/2,668; United States, S/1,461,029; Sweden, S/23,641; Great Britain, S/6,362.

As indicated by its title, this is a different classification from machinery for agriculture and mining dealt with earlier. Here again the United States has the bulk of the trade. Although there is a good demand in general for Canadian machinery, prices would have to be competitive to attract business.

MACHINERY FOR SEWING, EMBROIDERING OR
WEAVING, PEDAL OF HAND-DRIVEN,
AND PARTS

1938.—Total, S/1,053,137; Canada, S/101,975; United States, S/700,674; Germany, S/191,119; Sweden, S/34,168.

1944.—Total, S/1,189,163; United States, S/1,119,913; Sweden, S/60,282.

Canadian shipments under this heading will mainly be determined by manufacturing arrangements between one of the large United States manufacturers and its affiliate in Canada. The tariff rates have been bound for United States machines and imports from that country are exempted from the customs surcharge of 2 per cent ad valorem.

ELECTRICAL ACCESSORIES

This includes cut-outs, interceptors, etc.

1938.—Total, S/694,439; Canada, S/25,315; United States, S/367,682; Germany, S/223,416; Great Britain, S/35,034.

1944.—Total, S/1,229,900; Canada, S/4,237; United States, S/843,497; Argentina, S/150,894; Brazil, S/105,350.

Canadian shipments in this item are small and future prospects would appear to depend on prices.

WIRE, CORD OF CABLES

This item is further defined as with one or more poles, up to 3 mm. diameter, covered with any material except silk or lead.

1938.—Total, S/404,626; Canada, S/24,175; United States, S/204,545; Germany, S/108,151; Great Britain, S/24,462.

1944.—Total, S/979,504; Canada, S/32,607; United States, S/939,622; Brazil, S/7,259.

The bulk of the business in this item goes to the United States and Canadian shipments are not large.

ELECTRIC METERS FOR DOMESTIC USE

1938.—Total, S/102,232; Canada, S/26,171; Germany, S/52,607; Switzerland, S/14,984; United States, S/3,558.

1944.—Total, S/154,401; Switzerland, S/148,288; United States, S/6,113.

The decline of this trade during the war has been due mainly to the lack of supplies. When business recommences Canada should be able to obtain a fair share of the imports.

FRESH MEAT, DRIED AND PRESERVED

1938.—Total, S/134,524; Canada, S/21,952; Chile, S/58,973; Brazil, S/20,123; Great Britain, S/16,227.

1944.—Total, S/3,186,598; Argentina, S/3,177,671; Brazil, S/8,820.

Inquiries have been made recently for third-grade Canadian meat, approximating 900 tons per month, for the Lima district. Not enough meat is produced locally to satisfy the consumption and imports are needed steadily.

MILK: WHOLE, EVAPORATED OR CONDENSED, SWEETENED OF NOT, AND IN POWDER FORM

1938.—Total, S/3,238,121; Canada, S/105,329; Netherlands, S/2,193,906; United States, S/346,214; Norway, S/332,869.

1944.—Total, S/1,682,043; United States, S/1,512,051; Argentina, S/160,655.

The bulk of imports under this heading is whole milk evaporated and unsweetened, and milk in powder.

Prior to 1942, when two plants for the processing of milk were established in Peru, the country was entirely dependent upon imports. Prior to the war these came mainly from the Netherlands, United States, Great Britain, Norway and Canada. During the war years the United States and Canada were the principal sources. Since 1943 imports of canned milk have decreased considerably and it is estimated that in a year or two Peru will be self-sufficient in this commodity. At present the chief import variety is evaporated milk.

BUTTER

1938.—Total, S/344,348; Canada, S/32,402; Argentina, S/146,888; Denmark, S/50,219; Great Britain, S/37,995.

1944.—Total, S/1,412,852; Argentina, S/1,401,659; Brazil, S/6,634.

There is not sufficient local production to meet the demand and the domestic butter is not produced under adequately sanitary conditions to satisfy all consumers. No supplies have been available from Canada recently, but if Canadian butter can meet Argentinian prices, there should be a fair future demand for this product.

CANNED SALMON

1938.—Total, S/93,046; Canada, S/17,103; United States, S/55,508; Japan, S/18,324; Great Britain, S/1,511.

1944.—Total, S/40,688; Argentina, S/24,600; United States, S/16,082.

As soon as supplies are available for this market there should be a good demand for Canadian canned salmon. Its quality is appreciated by the consumers, although prices have to be on a fairly low scale. Canadian exporters, however, should not have to compete with Japanese salmon for some time and the chief competition would be from the United States whose position is favoured by a preferential customs rate of S/0.12 per kilo (2.2 lb.) gross weight as compared to S/0.18 payable on Canadian salmon.

RUBBER GLOVES

1938.—Total, S/48,466; Canada, S/10,810; United States, S/13,820; Germany, S/10,562; France, S/2,653.

1944.—Total, S/138,033; United States, S/130,701; Brazil, S/7,324.

It will be observed that Canada supplied about 20 per cent of the pre-war imports of rubber gloves, competing with the United States and Germany. The quality of Canadian rubber gloves is appreciated and as soon as shipments can be resumed, there should be quantity orders available.

LINOLEUM AND FLOOR OILCLOTH

1938.—Total, S/71,320; Canada, S/11,236; United States, S/50,777; Great Britain, S/4,442; Germany, S/2,337.

1944.—Total, S/17,443; Canada, S/5,549; United States, S/11,894.

There is a good demand for linoleum and oilcloth in Peru. The United States is the chief supplier and Canadian prices will have to compare favourably with those of that country to secure business. Great Britain and the United States have a tariff rate advantage of 20 per cent, paying S/0.25 per kilogram gross weight as compared to S/0.30 on Canadian linoleum.

Inquiries for Canadian Goods

As can be expected, due to changes brought about through wartime conditions there are a considerable number of articles produced in Canada which would be salable in Peru. It is difficult to list all of these, but by way of general indication it may be noted that, as Peru does not manufacture many industrial products and imports a great part of the machinery or equipment used in the production of her principal export goods of cotton, sugar, minerals and petroleum, almost any

lines suitable for these fields of activity could be sold at competitive prices in the Republic.

Inquiries have been received for practically all types of Canadian goods. In particular, interest has been shown in plastics and machinery for the production of plastics; electrical equipment; cattle, both for breeding and slaughter; handling machinery for materials; canning machinery; fishing vessels; motor launches and tugs; fishing nets and cordage; cotton thread; upholstery materials; mattresses; cotton gloves; embroidery ware; wool suitings; quality hats; steels rails; crown corks; sun glasses; magnesite; glass products and bottles; rubber gloves; paper products; shoe machinery; toys and dolls; pharmaceuticals and patent medicines; perfumery and toilet preparations; aluminium articles; cutlery; hardware of all kinds, including builders'; luggage and tools; Diesel engines; electric light specialties; toilet ware; scales and balances; office supplies and equipment; light railroad equipment; whisky and gin; building materials; foodstuff specialties; aeroplanes; sweaters; bathing suits and knitted wear; enamel and sanitary ware; chinaware; novelties; radio-telegraphy transmitting and receiving apparatus; plywood; refrigerators; washing machines; silk yarn; cement (providing freight rates permit competition); lard; malt; hops; woodpulp; matches; cheese; medicinal oils; sports goods and bicycles.

Peruvian Exports to Canada

The number of Peruvian products sent to Canada in recent years has been extremely limited. The chief trade

was in petroleum and gasoline with minor amounts of sugar, cotton and wool. The statistics of the two countries for the four years reviewed in this report give slightly different indications, due to the fact that when some of the Peruvian merchandise is exported, it is sent first to the United States and may be credited as shipments to that country. On the other hand, Canadian figures, due to the war delays in shipping, may show entry of Peruvian goods in a different year from when they left Peru. Therefore, to permit a comparison, two tables are given based on the Canadian and Peruvian statistics respectively.

Table 4 gives the value at arrivals of Peruvian goods in Canada as compiled by the Dominion Bureau of Statistics, and Table 5 the value of exports from Peru to Canada as recorded in the official trade returns published by the Peruvian Customs authorities. The value of the Peruvian sol declined from an average of 3.96 per U.S. dollar in 1937 to 6.50 per U.S. dollar in 1940, at which it has remained steady since May, 1940.

The main products listed in Tables 4 and 5 are reviewed in the following paragraphs.

PETROLEUM AND GASOLINE

It will be observed that both tables agree on the pre-war importance of shipments of gasoline and petroleum products to Canada. It is not expected that these will be resumed in the same volume, since Peru has developed other markets in the Pacific area and Canada is more apt to be supplied by nearer producers.

TABLE 4

Imports of Peruvian Goods Into Canada

	1937	1938	1943	1944
	Values in Thousands of Dollars			
Total imports	4585.7	3004.7	691.9	94.5
Sugar	6.3	7.6	131.6	....
Fur skins, undressed	1.4	....	....	....
Cotton, raw	7.8	....	541.1	70.1
Engines, internal combustion .....	....	3.9	....	....
Crude petroleum	3420.1	2055.3	....	....
Gasoline	1147.1	935.7	....	....
Wool, raw and unmanufactured .....	....	....	3.8	16.8
Chemicals and allied products .....	....	....	6.8	4.5
Settlers' effects	2.3	1.7	2.3	0.3
All other articles	0.4	0.3	6.1	2.5

TABLE 5
Exports from Peru to Canada

	1937	1938	1943	1944
		Figures in Peruvian Soles		
Alpaca wool, unwashed .....	.....	.....	.....	25,908
Seal skins	5,500	.....	.....	1,262
Tanguis cotton, ginned .....	.....	.....	.....	67,049
Linter .....	.....	.....	.....	31,544
Pyrethrum flowers .....	.....	.....	1,162	.....
Household ware and personal effects .....	.....	.....	8,382	116
Silverware .....	.....	.....	3,786	6,515
Sugar, granulated .....	.....	51,417	.....	.....
Crude petroleum—				
High cold test	20,192,053	9,854,985	.....	.....
Low cold test	457,345	1,015,354	.....	.....
Gasoline	5,770,892	5,739,117	.....	.....
Non-specified items	41	69	1,897	1,899
Total Peruvian merchandise...	26,425,831	16,660,942	15,227	134,293
Exports of foreign produce ...	.....	39,450	1,104	6,500
Grand total	26,425,831	16,700,392	16,331	140,793

SUGAR

Recent crops of sugar have been disposed of easily and it is not anticipated that there will be any difficulty in selling all the sugar the country can produce in the next two or three years. Eventually, however, Peru will be interested in developing increased sugar sales to Canada, although these are difficult to make on a competitive basis without direct ocean freight service.

SEAL SKINS

There is a small trade in this class of skins. The animals are native to Peruvian waters and the quantities exported can be increased, although the supply is limited. There were exports to Canada, it will be observed, both in 1937 and 1944.

COTTON LINTERS

Exports from Peru to Canada were valued at roughly \$5,250 in 1944. Peru has considerable supplies of this item and if of interest to Canadian importers, sales could probably be increased.

PYRETHRUM FLOWERS

A powerful insecticide, pyrethrum, is produced from the plant of the same name, the poison being contained in the flowers. The insecticide has been used by the armed forces in the control of pests carrying malaria and typhus, while some of the low grades are em-

ployed for agricultural purposes. Peruvian supplies compete with those from British East Africa, Belgian Congo and Brazil. The growing of pyrethrum has been actively promoted in Peru since 1939, but it was only recently that there was any surplus for export. It is anticipated that the 1944 production will amount to about 55 tons.

SILVERWARE

For centuries Peru has been known as a producer of silver and a considerable industry has developed for the manufacture of silver articles.

Until recently it was difficult to obtain mass production of any special items, in view of the hundreds of small silversmiths who each turn out their individual products. Recently, however, steps have been taken to regularize certain types of articles and designs, and a considerable business has grown up in the exportation of these goods. All exports from Peru must be 925/1000 fine and bear the impression "Peru—Plata Esterlina" (Peru-Sterling Silver), together with the mark of the producer. There were small shipments to Canada in 1943 and 1944 and several inquiries have been received from Canadian importers for this line.

COTTON

Prior to the war there were only one or two odd shipments of Peruvian cotton to Canada. In 1940 some trial

quantity shipments were made and the difficulties usual with any new products were experienced by manufacturers in proving its quality. The two varieties shipped were "Pima" to replace Egyptian cotton and "Tanguis", both being high-quality cottons. In 1943 a fair quantity of Peruvian cotton arrived in Canada, but since then amounts have been small. It will be difficult to attain any volume of business unless prices are closely competitive with those of the United States and unless shipments can be delivered as directly as possible. Exporters are anxious to increase their trade in this commodity. Great Britain is the traditional purchaser of the main volume of Peruvian cotton.

WOOL

Peru offers sheep's wool, and also wool of the alpaca, llama and huarizo. The wool goes mainly to the United States, but exporters would be interested in selling on the Canadian market. Shipments of alpaca wool to Canada were made in 1943 and 1944.

Peru can offer certain quantities of crude chemicals and tropical produce used in the chemical trade. Trade has been small in this line so far, but there is a possibility of increasing it, particularly for barbasco.

OTHER PERUVIAN EXPORTS OF INTEREST

While not exported to Canada at present, the following products might be of interest to Canadian importers in the next decade.

MINERALS AND MINERAL CONCENTRATES

Canada has sufficient supplies of most of these available in Peru, but if special manufacturing methods exist, Peruvian producers would be interested in finding market for zinc concentrates, copper bars, tungsten, vanadium, electrolytic lead, molybdenum, antimony, mercury, cadmium and bismuth.

COTTON DERIVATIVES

In the field of cotton derivatives, should the present fertilizer scarcity pass in Peru and exports be permitted,

there is a substantial production of cotton seed, cake, meal and other derivatives.

TARA

This is used in the tanning industry. At present the entire production is required for Peruvian needs.

FINE LUMBER

As the eastern and tropical sections of the country are developed, more of the fine woods become available. Given the required shipping facilities, there might be some small market for these special types in Canada.

COFFEE

Peru is producing considerable quantities of coffee and later would be interested in securing a share of the Canadian market. Obviously this would depend upon whether Peruvian coffee could compete with that from present suppliers.

STONE

There have been some trial shipments of marble from Peru, but these are only feasible when a low freight rate is obtainable.

ANTHRACITE COAL

Peru is giving considerable attention to the exploitation of coal from the Chimbote district, washing and grading plants having been installed. Preliminary inquiries have been made regarding the possibility of exporting 5,000 tons of coal per month to Canada. Prospects appear to be dependent almost entirely upon freight rates and the possibility of direct deliveries to the coal-consuming areas in Canada, assuming that the Peruvian coal could meet in price with Welsh and that from the United States.

COCA CAKE

This is the semi-prepared form from which cocaine is manufactured. This commodity is mainly sold now to the United Kingdom under British Government licence.

AGRICULTURAL AND PASTORAL PRODUCTION IN QUEENSLAND

By K. F. NOBLE, *Canadian Trade Commissioner at Sydney*

Despite variable seasonal conditions during the twelve months ended March 31, 1945, a further deterioration in farm maintenance, and a recovery of only 3 per cent in the number of full-time employees, the farmers of Queensland established a new record for the area of land under cultivation. The 1944-45 total of 1,765,000 acres exceeded by 8,000 acres the previous record in the 1943-44 season. Smaller areas for cotton, maize and oats were more than offset by larger acreages of wheat, green fodders, vegetables and canary seed.

CROP CONDITIONS AND YIELDS

Easier labour conditions and increased quantities of fertilizers contributed to a better sugar-cane season. The yield per acre was the highest since 1939, and totalled 4,398,000 tons cut from 219,700 acres. The tonnage was an increase of 29 per cent on the 1943-44 output, which was the lowest since 1926.

Excellent early spring conditions and good harvesting weather increased the output of wheat to the highest level for five years. Owing to the scarcity of early summer rains, however, the lowest acreage of maize harvested for nine years was recorded.

Unfavourable conditions early in the season caused a setback to the growing of sorghum. The tonnage declined by 17 per cent, after having increased seven-fold during the preceding three years.

Cotton has suffered most from wartime conditions, mainly because of the large volume of labour required for harvesting. Despite the best yield per acre for ten years, which resulted from concentration on quality lands, total production was the lowest for 12 years, while the area (16,000 acres) was the smallest for 15 years.

The rapid wartime increase in production of vegetables was continued in 1944-45, due to service requirements.

The area sown expanded from 13,300 acres to 80,600 acres, which is more than double the pre-war acreage under cultivation. Potato acreages have increased by 84 per cent in two years, and totalled 18,200 acres.

Banana production continued to advance from the wartime low to slightly more than the 1943-44 crop, but area and production were only 41 and 42 per cent respectively of the peak figures of 19,750 acres and 3¼ million bunches for 1928. In the intervening seventeen years, expanding production in New South Wales has been supplying an increasing proportion of the market in the southern states. Pineapple acreage was well maintained, but the season was unfavourable. Citrus yields were high, with a record crop of 565,000 bushels from 312,000 trees.

The record area of hay and green fodder during 1943-44 was exceeded by 2 per cent (to 686,000 acres). For comparison, the average was 507,000 acres during the last three pre-war years. However, dry weather during 1944-45 resulted in the reduction of hay stocks from 107,000 tons at the end of March, 1944, to 71,000 tons at the end of March, 1945.

LIVE STOCK

The previous increase in beef cattle continued, more than offsetting a decline of 2½ per cent in dairy cattle to provide a total of 6,623,000 head as compared with 6,524,600 in the previous year. The reduced number of dairy cattle, together with indifferent seasonal conditions, lowered butter production by 15 per cent to a level 42 per cent below the record output of 1938-39. Similarly, cheese production was lowered by 16 per cent.

For the second successive year there was a drop in the sheep population, with a decline of 1,988,000 from the 1943-44 total of 23,256,000.

REVISED REGULATIONS RESPECTING TRADING WITH THE ENEMY

Notice *re* Thailand (Siam)

Under date January 21, 1946, the Secretary of State of Canada, under and by virtue of the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), gives notice that, subject as hereinafter mentioned, trade may be resumed with persons residing in Thailand (Siam), and this notice shall constitute the permission of the Secretary of State to re-open trade with persons residing in the said territory. Any person who engages in such trade shall not be deemed to be trading with the enemy, but such persons are advised that, owing to the shortage of shipping and

foreign exchange and communication problems, difficulties may be encountered.

The permission hereby given shall apply only to transactions entered into after the date of this notice, and any property which shall have vested in the Secretary of State, acting in his capacity as Custodian under and by virtue of any regulations respecting trading with the enemy, shall continue to be so vested, notwithstanding the permission hereby given, and the property shall continue under his control until it is expressly released under the provisions of the Revised Regulations Respecting Trading with the Enemy (1943).

ECONOMIC, TRADE AND PRODUCTION NOTES

New Zealand

MANUFACTURE OF PULP AND PAPER

Important among postwar plans for industrial development are those for the manufacture of kraft pulp and paper from native timber. The report of the examination of overseas mills by officers of the New Zealand Forest Products Ltd. and the successful tests on New Zealand timber in America have convinced the authorities that the project is a practical one. Decisions are to be made within the next six months on the establishment of the industry, the site of the mills having been chosen and some of the plant

being on order. The estimated cost is between £1,000,000 and £1,250,000.

There is a ready market in New Zealand for kraft pulp to feed the one paper mill now operating and to supply the additional mills to be erected. The increasing use of fibre and corrugated board boxes for the packing of butter, owing to the diminishing supplies of local timber for butter boxes, has shown that substitute material can be used to a greater extent or more timber imported. Another use for kraft paper that will be developed is in the manufacture of multi-wall bags for cement.

It is anticipated that the new units when established will provide employment for about 750 men

PROCEDURE FOR EXPORT SHIPMENTS TO FRANCE AND FRENCH NORTH AFRICA

With reference to the article "Procedure and Services for Export Shipments" published in *Commercial Intelligence Journal* No. 2186 (December 22, 1945), Canadian exporters are requested to note that, in the case of private trade with France, Algeria and French Morocco, they should com-

municate regarding shipping space or any inquiries they may have with the Commercial Counsellor, French Embassy, 464 Wilbrod Street, Ottawa. In the case of government orders they should communicate with the French Supply Council, 345 Laurier Avenue East, Ottawa.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); and Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela. Their itineraries as presently arranged are as follows:—

Mr. MacDonald

Victoria—Jan. 26 to 28.
Vancouver—Jan. 29 to Feb. 1.
Calgary—Feb. 4.
Toronto—Feb. 9 to 23.
Ottawa—Feb. 25 to 27.
Montreal—Feb. 26 to Mar. 6.
Ottawa—Mar. 7 to 12.

Mr. Palmer

Ottawa—Jan. 29 to Feb. 4.

Mr. Bissett

Toronto, including Gravenhurst, Leaside, Weston—Jan. 26 to 30.

Kitchener, including Galt and Guelph—Jan. 31.

Hamilton and Welland—Feb. 1 to 5.

Quebec—Feb. 6 and 7.

Montreal—Feb. 8 to 23.

Ottawa—Feb. 25 to 27.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Ottawa, with the Department of Trade and Commerce for Montreal, with the Montreal Board of Trade; for Hamilton, Kitchener, Calgary and Quebec with the office of the respective Board of Trade.

TRADE REGULATIONS AND TARIFF CHANGES

Barbados

NEWSPRINT WRAPPING PAPER FROM CANADA

The Controller of Supplies for Barbados announced on December 4, 1945, that, owing to the ample supply of newsprint wrapping paper in the Colony, and to the necessity of limiting the importation of goods from countries outside the sterling area, no more licences to import newsprint wrapping paper from Canada will be issued for the present.

IMPORTATION OF ROPE

The Controller of Supplies gave notice on December 7, 1945, that advice having been received that reasonable quantities of hard fibre rope, cord and twine are now available from the United Kingdom, import licences will

be issued freely for supplies from that source. Import licences may also be obtained within quotas for supplies from Canada.

IMPORT LICENCES

A notice of December 7, 1945, issued by the Controller of Supplies, draws attention to the Exports and Imports Restriction Order, gazetted December 31, 1945, under which no person shall import into Barbados any goods in respect of which import licences were issued before December 31, 1943, and states that the provision of this Order shall not apply in respect of the importation of goods which are shown to the satisfaction of the Controller of Supplies to have been in process of being manufactured, or already manufactured, or to have been consigned to Barbados on or before December 31, 1945.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Commercial Counsellor, Canadian Embassy, Washington, D.C., from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 29, 1945:—

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to December 29, 1945	
				Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c per gal.	25,825	0.8
Cream	Gal.	1,500,000 per calendar year	56½ to 28½oc. per gal.	1,291	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	17,668,311 per calendar year	2½ to 1½c. per lb.	Quota filled	
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1945	75 to 37½c. per 100 lb.	789,139	52.6
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1945	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	3,025	0.3
Red cedar shingles	Sq.	1,727,242 per calendar year		1,578,405	91.4
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	3,700†	3.7
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† For the period December 1 to 29, 1945, imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 1,260.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

5. *Chile*—Gustavo Rosenberg, Clasificador 886, Santiago, Chile. This firm is interested in acting as representatives in Chile for Canadian supplies of textiles for the manufacture of the following: Men's suits, ladies' dresses, shirts, ties, etc. File: C.E. 25.

6. *Ecuador*—Compania Nacional Comercial S.A., P.O. Box 946, Guayaquil, Ecuador. This company is interested in securing representations for Canadian firms manufacturing the following products: textiles, enamelware, hand and electric tools, wire in general, and vehicles for transportation and their spare parts. File: C.E. 193.

7. *Peru*—Inter-Continental Trade Co. S.A., Casilla 2657, Lima, Peru. Interested in acting as agents for Canadian manufacturers of:

Tennis rackets and balls, badminton rackets and shuttlecocks, and footballs.

Sanitary supplies; metallic doors and windows; materials for electrical instalments; cast iron and galvanized piping; asphalt tiles; sheet glass.

Ladies', children's and men's hosiery; natural and artificial silk; poplin; cotton textiles; knitting wool.

File: C.E. 194.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Jan. 14	Nominal Quotations Jan. 21
Argentina ..	Peso	Off. .3290	.3290
		Free .2702	.2702
Australia	Pound	3.5600	3.5600
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0263	.0263
British West Indies (except Jamaica).	Dollar	.9271	.9271
Brazil	Cruzeiro	Off. .0670	.0670
		Free .0572	.0572
Chile	Peso	Off. .0571	.0571
		Export .0442	.0442
Colombia	Peso	.6296	.6296
Cuba	Peso	1.1050	1.1050
Czechoslovakia	Koruna	.0221	.0221
Denmark	Krone	.2301	.2301
Ecuador	Sucre	.0818	.0818
Egypt	Pound	4.5641	4.5641
Eire	Pound	4.4500	4.4500
Fiji	Pound	4.0181	4.0181
Finland	Markka	.0081	.0081
France	Franc	.0092	.0092
French North Africa.....	Franc	.0157	.0157
French Pacific.....	Franc	.0222	.0222
Haiti	Gourde	.2210	.2210
Hongkong	Dollar	.2781	.2781
Iceland	Krona	.1706	.1706
India	Rupee	.3337	.3337
Iraq	Dinar	4.4500	4.4500
Italy	Lira	.0111	.0111
Jamaica	Pound	4.4600	4.4600
Mexico	Peso	.2274	.2274
Netherlands	Florin	.4162	.4162
Netherlands West Indies	Florin	.5855	.5855
New Zealand	Pound	3.5779	3.5779
Norway	Krone	.2225	.2225
Palestine	Pound	4.4500	4.4500
Peru	Sol	.1713	.1713
Philippines	Peso	.5525	.5525
Portugal	Escudo	.0445	.0445
Spain	Peseta	.1011	.1011
Straits Settlements	Dollar	.5192	.5192
Sweden	Krona	.2633	.2633
Switzerland	Franc	.2569	.2569
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4500	4.4500
United Kingdom	Pound	4.4500	4.4500
United States	Dollar	1.1050	1.1050
Uruguay	Peso	Controlled .7274	.7274
		Uncontrolled .6220	.6220
Venezuela	Bolivar	.3298	.3298

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Legation, Bartolome Mitre 478.
Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solís.
Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

Acting Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation to the Netherlands, 1-A Sophia-laan, The Hague.

Newfoundland

J. C. BRITTON, Circular Road, St. John's.

New Zealand

P. V. McLANE, Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo Fonseca 103-4°, Lisbon.

Territory includes Spain.

South Africa

Johannesburg: H. L. BROWN, Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

TRADE OPPORTUNITIES IN ALGERIA AND TUNISIA

Mr. J. P. Manion, Canadian Trade Commissioner, who has occupied posts in Tokyo and Paris, is now completing an extensive survey of French North Africa. The purpose of this mission is to ascertain at first hand present and future market possibilities for Canadian goods in those territories through discussions with firms and government officials, to learn local business practices and to compile authoritative information which would prove valuable to Canadian exporters.

In reports to the Department concerning his tour of Algeria and Tunisia, Mr. Manion states that importers in those areas are well disposed towards Canadian products. He emphasizes, however, that to place business it would be essential for Canadian exporters to be represented in the markets, since importers must indicate their source of supply when applying for an import licence. Mr. Manion advises that French North African authorities are anxious to purchase from Canada and to take advantage of this situation local representation will be necessary.

As announced in *Commercial Intelligence Journal* No. 2172 (September 15, 1945), private trade is now possible with French North Africa for a wide range of commodities, subject to the issuance of import licences, although some essential supplies, such as wheat and railroad equipment, are still Government-purchased through French Supply Missions in London, Washington and Ottawa. It is expected that trade will be completely restored to private channels as soon as economic and rehabilitation conditions permit.

The Department has been informed by Mr. Manion of a number of firms and trade groups in Algeria and Tunisia who wish to handle Canadian goods, and if interested Canadian exporters will communicate with the Foreign

Trade Service, Department of Trade and Commerce, Ottawa, all possible assistance will be given them in contacting reliable importers.

A despatch from Mr. Manion dealing with French Morocco is expected at an early date, when a notice will be published concerning that territory.

The following is a partial list of products in which Algerian and Tunisian importers have expressed interest:—

Foodstuffs—

Meats, frozen or canned.

Milk, condensed, powdered, etc.

Cheese, seed potatoes, cereals, other seeds.

Textiles—

Ready-made clothing.

Sewing thread.

Yarns and twine.

Fishing nets.

Wood Products—

Casks for wine and spirits.

Staves for repairing casks.

Metals and Metal Products—

Rails, plates.

Wire netting.

Nails, brads, tacks (for shoe making).

Household utensils.

Hardware.

Copper for distilleries.

Zinc, nickel, alloys.

Piping, cables.

Oil Stoves

Refrigeration Equipment—

Domestic and commercial.

Iceboxes.

Road-making Machinery—

Shovels, rollers, levellers, cranes, scrapers, bulldozers, angledozers, rock drills, etc.

Generating Sets (gas and oil).

Electrical Equipment—

For the equipment of hydro-electric plants. Power stations, transformers, circuit breakers, insulators, safety devices, telephone equipment.

Portable electric tools.

Industrial Equipment—

Motors, engines, pumps, factory equipment, etc.

Agricultural Machinery—

Farm implements and machinery.

Chemicals—

Sulphate of ammonia, fertilizers, cyanide of calcium.
Carbon black and accelerators for rubber industry.
Cellulose colours.
Insecticides, D.D.T.

*Passenger Motor Buses**Complete Hotel Equipment—*

Bedding, linens, blankets.
Wash stands, bath tubs, etc.

Port Equipment—

Electric cranes, etc.

Materials for Algerian Mines—

Sectional angle iron—40, 60, 70, 80, 120 mm., 1/10 thick standard length.
Iron air pipe, sectional air pipe, sectional steel wire.
Galvanized steel wire.
Discs or bars for A.D. concrete (not toothed).
Steel stock (bars, rods, etc.).
Rails, weighing 60 pounds per yard and over.
Cross bars and fishplates.

Sheets:

Decarburized steel.
Stainless steel.
Galvanized iron.
Corrugated iron.
Sectional iron.

*Machinery Required for Algerian**Public Works—*

Gantry cranes—6 tons for ports.
Travelling cranes mounted on auto chassis, Diesel-electric.
Forklift trucks—1, 2 and 5 tons.
Large crushers, output 30 to 50 m. per hour.
Dump trucks—automotive.
Caterpillar crane—8 to 15 tons.
Concrete mixers.
Gyratory crushers and breakers.

Pumps—

Deep well.

Grinders—

Tool.

Machinery For—

Bakeries, flour milling, laundry, dyeing and cleaning, glass making, grain silos, printing.

*Trailers**Mica**Machine Tools and Sheet-Metal Working Machinery—*

Vertical boring mill—250 mm.
Lathe—225 mm.
Vertical drilling machine—40 mm. drill.
Shaping machine—600 mm. stroke.
Vertical milling machine—650 mm. table.
Punching and shearing machine—416 mm. plates.
Metal sawing machine—200 mm.
Folding and bending machine.
Stand grinder.
Oxy-acetylenic welding equipment.
Small tools and appliances:
Wrenches, chucks, drills, bits, files, threading machines, bolt-cutters, etc.

Woodworking Machinery—

Log cross-cutting saw—600 mm. capacity.
Log band saw.
Band saw for woodworking, blades 700 x 700 mm.
Surface-planing machine.
Planing and thicknessing machine.
Mortising-machine.
Vertical moulding machine.
Miscellaneous woodworking tools.

Handling and Hoisting Plant—

Winches, jacks, pulley-blocks.
10-ton travelling crane.
Wire and hemp rope.
Stationary and mobile air-compressors and equipment.

*Water Pumps, Valves, Etc.**Pneumatic Drilling Equipment**Quarry Equipment—*

Grinders, crushers, screens, elevators, cranes, vibrators, etc.

PERU'S ECONOMY AND FOREIGN TRADE

IV

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

Import Control

During the war, and to assist in the application of the Decentralization Plan, a Department of Imports was created under the control of the Peruvian Ministry of Finance and Commerce, and attended to the issuing of import recommendations for the required products. The Decentralization Plan was terminated September 30, 1945.

In 1944 a tentative attempt was made by the Ministry of Finance to introduce an overall import control in Peru, but the scheme was withdrawn due to the protests of the local trade. The matter was left in abeyance at that time, importers being advised that as from August, 1944, they should send to the Department of Imports a complete list fortnightly of their orders abroad for merchandise, specifying

class, quantity, and country of origin. Only a few of the importers complied with that ruling.

On January 24, 1945, the Ministry of Finance gave notice of a complete control of imports by advising importers that they must submit requests to the Department of Imports for import licences, without which no goods would be allowed to enter the country, and this was made applicable to all goods ordered from abroad. By later advertisements, the Ministry of Finance advised that such import licences would be required for all goods entering the country beginning March 1, 1945, whether or not such goods had been ordered previously. This was still the situation at the end of 1945.

Import licences have been granted for considerable amounts, but chiefly only for commodities considered essential to the country's economy. In the main, licences for luxury articles have been consistently denied, although certain imports of whisky and non-essential goods have been allowed in the past.

Canadian exporters should not ship goods to Peru unless they are assured by their local representatives that an import licence has been obtained. In fact, while present restrictions exist, it would be advisable to insist on the establishment of documentary letters of credit. The only exception is the allowance of shipments under \$50, which may be sent casually to the same receiver without the issue of a prior permit. Such consignments, however, should not be made in volume, and certainly not for luxury articles, in view of the difficulty in obtaining exchange.

Export Control

No products can be exported from Peru without an export licence issued by the Ministry of Finance. No goods, once imported from abroad, can be re-exported from Peru except under the most unusual circumstances. Peruvian exporters are obliged to turn over to their bankers or the Central Reserve Bank all the foreign exchange originating from their exports of products of the country.

Exchange Control

During the war years, until January 24, 1945, Peru was free of official exchange control. In May, 1940, the bank rates were stabilized at 6.50 soles per U.S. dollar selling and 6.485 soles per dollar buying. These rates are still in force. Due to the large export trade in materials needed in wartime and the difficulties in obtaining imported articles, Peru was able to maintain easy balances and it was only towards the middle of 1944 that foreign exchange holdings abroad began to decrease and it became evident that some form of exchange control would be adopted.

Prior to 1945, there was a semi-voluntary type of control, by which the commercial banks reported all foreign exchange to the Central Reserve Bank of Peru and turned over any surplus. The Central Bank then re-allocated the foreign exchange to the commercial banks on a quota basis roughly equivalent to their transactions in the past and to their current daily needs.

Since January 24, 1945, no foreign exchange, except as stated hereunder, can be sold by the commercial banks without the prior authorization of the Peruvian Superintendent of Banks. Up to the present time exchange has been granted fairly liberally for the importation of essential goods, although in many cases the amount applied for has been reduced and the remainder not granted until later, and at times not at all. The entry of so-called luxury or non-essential goods has been severely restricted and exchange for such imports is to all intents and purposes unobtainable through official channels. Sales of up to \$10 or its equivalent in other currencies may be made by banks without a prior permit, but all operations must be reported daily in detail to the Superintendent of Banks.

Under present circumstances, therefore, and as mentioned under the heading "Import Control", importers are required first of all to obtain the necessary import licence. There are

two forms of such import licences, viz:—

1. "Con divisas" (with exchange)
2. "Sin divisas" (without exchange).

The first implies, but does not carry, assurance that exchange will be forthcoming on the arrival of the goods. It is preferable therefore that a letter of credit be established, for then the granting of the exchange is assured; as 30 per cent of the amount has to be prepaid, certain of the commercial banks insist on a future contract being arranged for the balance. This latter does not affect the Canadian exporter, since he collects at his end of the transaction, but the main point is that the establishment of the letter of credit gives a guarantee to the shipper that payment will be made in full.

For the second type of import licence ("sin divisas") the importer has to provide the exchange either from his own resources or through unofficial sources.

Although a good number of transactions have been and are being effected on a sight basis, documents to be delivered against payment, shipments at the present time should preferably be made on letter-of-credit terms. Under no circumstances should a Canadian exporter ship any goods to Peru until he has been assured by the importer that the import licence has been granted and also that the importer has made the necessary arrangements to obtain the required foreign exchange.

Peru's present balances in foreign countries are estimated at between \$10,000,000 and \$12,000,000 in New York, and around £700,000 sterling in London.

Trade Policy

For many years Peru's trade policy has been based on the exportation of raw or semi-prepared materials in exchange for manufactured goods, supplementary foodstuffs, machinery, construction material, vehicles, etc. In consequence, customs duties have been levied rather for purposes of revenue than to protect national industries.

However, with the gradual increase of manufacturing in Peru, there is now

more incentive to impose protective rates for such goods as can be fabricated in the country and it seems likely that this tendency will be accelerated in the coming years.

On total imports into Peru in 1944, the proportion of duty paid amounted to only 6.66 per cent, due allowance being made in this figure for merchandise that was free of duty and also goods accorded liberation of duties due to special reasons.

TARIFF RATES

The tariff rates are mainly on a specific basis, weight usually being the medium. In addition, there are a series of surcharges, special duties, and port dues which amount to around 15 to 25 per cent of the basic duty, depending on the article. For many manufactured articles the combination of basic duty and other charges will run from 50 to 100 per cent of the value of the goods.

CONCESSIONS TO CONTIGUOUS COUNTRIES

Goods enter Peru from most sources under the same tariff rates, with the exception of those from the contiguous countries of Brazil, Colombia (mainly for entries via Iquitos on the Amazon), Bolivia (although few articles arrive in Peru from that country), and Chile, with which Peru has special treaty arrangements. In particular, the Chilean agreement provides for the duty-free entry of 40,000 tons of wheat per year, also for special duties on foodstuffs, lumber and various manufactured products, hardware, milch cattle, rolled oats, barley, canned fish and vegetables, fruits, canned milk.

In considering trade agreements with any other countries, Peru usually accepts these special rates given to contiguous countries from agreements otherwise concluded on most-favoured-nation basis.

SPECIAL RATES TO FRANCE AND UNITED KINGDOM

In addition, Peru has treaties with France, granting special rates to

Peruvian coffee in exchange for lower duties on French wines and brandies.

In 1936 a convention was arranged between Peru and Great Britain according special rates on certain textiles, threads, tissues and piece-goods of cotton, wool, linen and artificial silk, iron sheet, tin plate, pipes, sanitary ware, paints, notepaper, paper hangings, tools, implements, cars, motor cycles, bicycles, canned goods, various chemicals, oilcloth, etc. Of the foregoing, the following are probably of most Canadian interest: artificial silk, copper wire, oil paints, wallpaper, bicycles, canned fish, oilcloth and linoleum.

TRADE AGREEMENT WITH UNITED STATES

Probably the trade agreement of greatest interest in so far as Canada is concerned is that between the United States and Peru, concluded May 7, 1942, and effective since July 29, 1942. It is on the most-favoured-nation basis, excluding concessions to neighbouring countries together with the specific inclusion of 35 duty reductions. It thus also accords the United States any of the duty rebates given to the United Kingdom. The principal products on which Peru grants special reductions in duty to imports from the United States are: automobiles and trucks, parts for automobiles and trucks, typewriters and calculating machines, certain dried fruits, certain canned vegetables, canned fruits, prepared oats, and fresh apples, pears, and plums. In addition, 15 Peruvian tariff rates are bound by the agreement against increase on various goods, including agricultural and mining machinery, wheat flour, sewing machines, plate glass, certain pharmaceutical specialties, and moving picture films.

The products of most importance to Canada affected by the foregoing agreements under present circumstances would seem to be the following: lumber, plywood, paints, trucks and other motor cars, refrigerators, radio tubes, canned vegetables, canned fruits, canned salmon and sardines.

NEGOTIATIONS WITH CANADA

During the past five years active consideration has been given to the possibility of completing a Canadian trade agreement with Peru on the most-favoured-nation basis. A Peruvian delegate discussed the subject with Canadian officials in Ottawa in 1940 and 1942, and in September, 1941, a Canadian Trade Mission, headed by the Hon. James A. MacKinnon, Minister of Trade and Commerce, visited Peru. At the conclusion of the visit, a joint declaration by the Canadian Trade Mission and the Peruvian Foreign Economic Mission affirmed the desire of the two countries to place commercial relations on a permanent basis by the conclusion of an unconditional most-favoured-nation agreement.

The treaty is still pending, however, as the Peruvian authorities have expressed a desire to consolidate their trade position with other South American countries before concluding further agreements with more distant lands. Meanwhile, Canadian goods are under the disadvantage of the special rates already accorded by Peru to other foreign countries as indicated above.

A treaty with the Argentine on a most-favoured-nation basis is pending, but it appears unlikely that this will be ratified until some sort of Latin-American conference takes place and Peru has a chance to clarify her external trading relations.

Transportation and Communication

AIRLINES

There are approximately 5,000 miles of commercial airlines in Peru, the most important of these services being operated by Pan American Grace Airways Inc. (PANAGRA), which is a company owned jointly by Messrs. W. R. Grace & Co. and the Pan American Airways. There are daily services, connecting with the world international routes, into Lima from Panama in the north with connections to Chile and the Argentine in the south. Transcontinental services are offered via Bolivia to Brazil and

divergent routes to the Argentine via Bolivia.

At present Lima is reached in three days from Montreal or Toronto and two days from Buenos Aires.

Peruvian internal services are maintained by the *Compañía Aviación Faucett, S.A.*, which has daily services radiating from Lima to the north and south of Peru and intermittent services to the Amazon district.

RAILWAYS

There are approximately 2,345 miles of railways operated in Peru, the most important of which are under the administration of the Peruvian Corporation Ltd. The main lines run by this British company are the Central Railway of Peru, a standard-gauge railway of 300 miles from Callao via La Oroya to Huancayo, which crosses the Andes at an altitude of nearly 16,000 feet; and the Southern Railway of Peru from Mollendo via Arequipa to Cuzco, connecting with the Company's steamers from Puno to Guaqui, Bolivia (across Lake Titicaca), and thence to La Paz. The Peruvian Corporation Ltd. also operates various lines in the north of Peru.

The Cerro de Pasco Copper Corporation operates the Cerro de Pasco railway, which connects with the Central Railway at La Oroya; and the Peruvian Government operates various short lines in different parts of the country. There are also many privately owned narrow-gauge lines operated by sugar and mining companies.

The railways run principally from the coast into the interior and there is no line paralleling the coast in its entirety.

ROADS

In spite of the difficult terrain and high mountain passes, Peru has a well-developed system of highways. The principal route is the Pan American Highway, which runs along the coast from Tumbes in the north via Lima to Arequipa and on into Chile. There are other roads connecting the coastal zone with the interior and there

is a central highway through the Sierra district. A new route linking Lima with the headwaters of the Amazon is now practically completed and, with transshipment to river barges, will give an internal transcontinental transportation artery to the country.

TELEPHONES AND CABLES

The Peruvian Post Office operates a national telegraph service to main interior points.

Cables are received from abroad by the West Coast of America Telegraph Co Ltd., and the All America Cables, the agents for which in Canada are the Canadian National Telegraphs and the Canadian Pacific Telegraphs, respectively.

The principal cities in Peru have reasonably efficient telephone systems, and Lima is connected by international radio-telephone with New York and via that city with Canada and other parts of the world.

Shipping Services

The principal shipping services used by Canadian exporters to Peru have been by Grace Line steamers, or vessels of the *Compañía Sud-Americana de Vapores* (Chilean line), both from New York to Callao via the Panama Canal, the voyage taking usually from 12 to 15 days, depending on the type of vessel.

The Grace Line ran occasional steamers as well from San Francisco and Puget Sound ports, with some sailings from Vancouver for connection by transshipment in United States ports. The Knutsen Line and Westphal-Larsen Line also operated occasional sailings from Vancouver.

There has been no direct steamship service from Eastern Canada to Peruvian ports, although the Canadian National Steamers did carry some freight to, and tranship at, the Canal Zone.

During the war shipping services were irregular. There were only a few sailings from the United States Pacific

Coast and during most of the war years East Coast sailings were transferred to New Orleans.

The Grace Line has already announced that it expects to resume weekly sailings from New York to Callao in March, 1946. These will be maintained by improved type C-2 vessels with passenger and freight accommodation, the boats being capable of an average speed of 16 knots. The firm has also stated that it intends to have certain sailings from Gulf of Mexico ports and United States Pacific ports.

Messrs. Lykes of Houston recently began a fortnightly service from Gulf of Mexico ports to Callao.

There is considerable interest in the possibility of the establishment of a direct steamship service between Canada and Peru. On the Pacific Coast, the United States lines based on San Francisco, prior to the war, did not serve British Columbian ports regularly. From Vancouver there is a possibility of bulk cargoes such as grain, lumber and newsprint. Prior to the war the Canadian share of the lumber trade averaged only between 12 and 20 per cent, and direct shipping services would doubtless help to increase this. Recently there have been several wheat cargoes delivered directly from Vancouver to Callao by Canadian steamers carrying around 9,500 tons of wheat in bulk. Newsprint arrivals are entirely from the East Coast; but there is a possibility that Pacific Coast shipments might be considered later on, if shipping opportunities are available.

The difficulty has been the absence of return cargoes, the Canadian grain ships having returned several times to Vancouver in ballast. There might be a chance, however, of remedying this by the carrying of sugar to Central American republics, or sugar and cotton directly to Canada.

The major part of Canadian goods arriving in Peru, and enumerated in tables given earlier in this report, originates in Eastern Canada. A service from that part of the Dominion would have to compete with the weekly sailings of the Grace Line from New York

and would incur the Canal dues when passing through Panama. Nevertheless, such a service would act as an impetus to Canadian trade with the West Coast of South America, would serve to attract attention definitely to the Canadian origin of the goods (which is sometimes lost in transshipments at New York), and would probably permit the delivery of Canadian merchandise in better condition due to the elimination of damage caused by many handlings. In that connection, newsprint shipments have arrived with as much as 20 per cent of the paper unusable due to improper handling.

Banking

The following foreign banks operate in Lima: the Royal Bank of Canada, the Bank of London and South America Ltd., and the National City Bank of New York.

The principal Peruvian commercial banks, which have branches in various parts of the country, are the Banco de Crédito del Peru, and the Banco Popular del Peru. In addition, there are the following well-established commercial banks: Banco Internacional del Peru and Banco Wiese Ltda. The under-mentioned banks operate under government auspices and their functions are indicated by their titles: Banco Central de Reserva del Peru (Central Reserve Bank of Peru), Banco Agrícola del Peru (Peruvian Agriculture Bank), Banco Minero del Peru (Peruvian Mining Bank), Banco Industrial del Peru (Peruvian Industrial Bank), Banco Central Hipotecario del Peru (Central Mortgage Bank of Peru) and the Caja de Ahorros (Savings Bank).

Advertising Media

Canadian exporters interested in advertising their goods in Peru will find that the local newspapers are the principal media. There are practically no trade magazines of any importance and the main coverage can be secured by advertisements in two or three of the Lima daily newspapers, which are circualarized to all parts of the country.

The provincial centres all have their individual papers and they can be used if any wider campaign is anticipated. If preferred, the services of a local advertising agency firm can be secured at a reasonable charge.

Summary

In general, Peru imports a wide range of all types of merchandise. The purchasing power of the population is rising slowly and, although a larger market than in the past can be anticipated during the next decade, Canadian exporters must bear in mind that the general standard of living in this Republic is not high and that the price factor will continue to play the most important part in deciding what purchases will be made.

Peru is gradually moving towards greater industrialization, particularly of natural resources. However, this is rather a slow process and for some time the majority of manufactured products used in this country must be imported. Also with the highest con-

sumption concentrated in the Lima-Callao district, which does not produce sufficient food to support its population, there is a steady demand for foodstuffs and food specialties and this demand can be expected to continue.

With the increase in local wage rates, more demand can be anticipated for labour-saving devices. The continuous growth of the capital means a widening need for all types of building, communication, and transportation facilities and in all those supplementary lines used to feed, clothe, move, and amuse a large number of persons.

Traders should preferably investigate the Peruvian market by personal visits. If this is not possible, they are invited to submit complete details of their lines, together with prices and catalogues, to the Commercial Secretary, Canadian Embassy, Lima.

Note.—This is the concluding instalment of this report, which will be reprinted separately. Notice will appear in the back pages of the *Commercial Intelligence Journal* when the reprints are ready for distribution.

FOREIGN TRADE OF URUGUAY IN 1944

By J. C. DEPOCAS, *Acting Commercial Secretary at Buenos Aires*

(Quantities are shown in short tons and values in United States dollars; figures for 1943 are shown within parentheses.)

Live Stock

The 1944 census of the cattle population of Uruguay shows a decrease from 8,300,000 head to 6,256,000, or 24.6 per cent, which is a result of the damage caused by the drought of 1941-42. This drought also adversely affected potential reproduction by killing a great number, probably 1,000,000, and forcing the slaughter, in the face of a shortage of feed, of underweight animals. Its effects may extend over a period of years, as a great number of animals, underfed when young, will never attain the normal weight of their age. The result will be a decrease in the beef production, necessitating a reduction in local consumption and in exports.

On the other hand, the sheep population increased by 2,357,429 head to 20,288,756 head, or by 14 per cent. These animals recuperated more quickly and, while a smaller number were slaughtered during 1944 than in 1943, production was greater, and it was possible to increase the exports of canned and frozen mutton. This, coupled with an almost record clip (74,000 tons) of a higher quality of wool, made possible the exportation of 55,000 short tons of greasy wool, and compensated in terms of dollars for the reduction in meat exports.

During 1944 a total of 607 head of cattle was slaughtered as against 1,130,500 in the previous year. This decrease is explained by the smaller

number of available animals and the natural desire of the ranchers, no longer faced with a feed shortage, to wait for the cattle to reach their normal weight before slaughtering. The number of sheep slaughtered decreased from 1,500,000 head to 1,100,000 head.

Grain Crop

The area under wheat and the yield were both smaller in 1944 than in 1943—786,675 acres and 5,789,800 bushels. Linseed, on the other hand, was favoured by abundant rain, and an area of 353,353 acres yielded 4,263,495 bushels. This is the only grain regarded as a steady export item. The corn crop was unusually large, according to Uruguayan standards; there was a surplus for export, but exportation was prohibited. Except for the packing industry, the output of which fluctuates with the number of animals available for slaughtering, industrial activity showed an increase, particularly construction. The value of building permits issued for Montevideo reached \$25,000,000 as compared with \$14,000,000 for the two preceding years. This was accounted for by increased imports of building materials, such as lumber, reinforcing steel, glass, fuels, refractory material, etc.

Foreign Trade

The war made it possible for Uruguay to accumulate a substantial amount of foreign exchange, owing mainly to her heavy exports of wool to the United States. Uruguay's trade position for the years 1940 to 1944 is indicated in Table 1.

EXPORT TRADE

Table 2 shows comparative values for the various export groups in 1943 and 1944.

Exports by volume of the leading item—wool—totalled 61,525 and 65,886 tons of both greasy and washed in 1943 and 1944 respectively, of which the United States purchased 60,826 tons (\$37,714,133) in 1944 as against 58,342 tons (\$37,192,338) in 1943. Sweden and Brazil were the other important purchasers. In 1942 the volume was only 21,000 tons, which explains the unfavourable balance of trade recorded for that year.

For 1944 the exports of meat, next in importance to wool, showed a decrease in volume from 153,450 tons to 121,957 and in value from \$37,765,000 to \$29,721,000. As usual the United Kingdom, taking 88 per cent of all shipments, was the leading purchaser.

TABLE 1
Uruguay's Trade Position

	Exports	Imports	Balance
1940	\$ 66,428,000	\$54,934,000	+ 11,494,000
1941	70,846,000	63,135,000	+ 7,711,000
1942	57,775,000	63,622,000	- 5,887,000
1943	100,022,000	63,808,000	+ 36,214,000
1944	97,599,000	72,447,000	+ 25,122,000

TABLE 2
Uruguay's Exports by Principal Commodities

	1943	1944
Wool	\$ 39,270,068	\$ 40,919,253
Meat and meat products	37,766,705	29,720,546
Hides and bristles	10,926,680	11,132,789
Agricultural products	3,019,556	5,971,904
Textiles	5,380,792	5,055,635
Mining products (sand)	1,775,050	2,219,927
Various industries	1,339,271	1,865,959
Live animals	258,440	486,985
Chemicals	48,622	107,306
Others	244,513	78,349
Total	\$100,021,967	\$ 97,558,653

Distribution by principal countries of Uruguay's exports in 1942, 1943 and 1944 is shown in Table 3.

Because of wartime conditions, Uruguay was able to export other than her traditional items (meat, wool, hides and linseed), products of her new, or practically new, industries, which in pre-war years had to compete against imports. Among these items are: woollen thread, \$1,480,558 (\$1,562,315 in 1943); woollen cloth, \$1,051,000 (\$1,761,082); wool tops, \$664,056 (\$725,042); woollen cashmere, \$496,867 (\$220,471); paper, \$212,042 (\$90,102); wool and cotton piece-goods, \$266,810 (\$1,468); cognac, \$196,425 (nil); woollen blankets, \$123,096 (\$449,350); edible oils, \$445,793 (\$110,309); industrial oils, \$1,100,408 (\$214,316); wheat flour, \$1,157,408 (\$247,794).

frozen mutton, \$2,427,921 (\$2,210,164); dehydrated meat, \$728,623 (\$616,731); meat extract, \$635,140 (\$877,914); canned mutton, \$647,435 (\$322,405); hides, \$3,698,304 (\$4,405,828); linseed, \$614,950 (\$1,308,102); eggs, \$602,706 (nil); frozen eggs, \$151,125 (nil).

Exports to Sweden consisted of: wool, \$2,377,000 (\$1,335,262 in 1943); sunflower oil, \$168,000 (nil); linseed, \$215,710 (\$98,906); wool tops, \$664,056 (\$601,705); wool thread, \$159,159 (\$291,425); woollen cloth, \$134,214 (\$45,433); hides, \$23,316 (\$147,357).

Exports to Brazil were: wool, \$387,099 (\$563,642); hides, \$389,505 (\$84,284); linseed, \$241,932 (\$123,596); wheat flour, \$654,215 (\$235,811); pedigreed horses, \$149,547 (\$79,623);

TABLE 3

Uruguay's Exports by Principal Countries

	1942	1943	1944
United States	\$ 25,017,256	\$ 54,056,480	\$ 46,537,780
United Kingdom	18,030,277	33,004,110	31,294,841
Sweden	6,446,128	2,780,094	3,666,153
Brazil	1,663,113	1,854,067	3,392,255
Argentina	1,559,752	2,492,740	2,707,383
South Africa	1,833,110	2,038,351	1,822,333
Switzerland	23,201	38,548	1,177,262
Venezuela	291,871	358,853	697,690
Portugal	176,530	200,460	385,220
Mexico	440,434	64,310	351,894
Peru	34,543	144,452	293,435
Ecuador	45,026	154,946	243,900
Others	2,213,383	2,834,286	4,988,507
Total	\$ 57,774,624	\$100,021,697	\$ 97,558,653

In addition to wool, the United States purchased in 1944 the following articles: salted cattle hides, \$1,629,000 (\$2,796,225 in 1943); sheepskins, \$2,039,000 (\$329,193); hog bristles, \$529,632 (\$129,594); linseed oil, \$544,932 (\$115,309); industrial oils, \$1,330,627 (nil); fertilizer, \$497,564 (\$271,313); dry cattle hides, \$812,673 (\$1,402,338).

Exports to the United Kingdom comprised: canned beef, \$6,441,341 (\$5,826,471 in 1943); frozen meat, \$4,932,623 (\$5,917,903); army ration, \$4,247,115; Irish stew, \$1,117,370; stewed steak, \$3,067,578; steak and kidney pudding, \$826,222 (these last four items were recorded in the 1943 statistics as "hot bags", \$8,300,524);

pedigreed sheep, \$138,155 (\$10,571); Portland cement, \$449,463 (\$23,936); industrial oils, \$188,624 (nil); edible oils, \$141,656 (nil).

Exports to Argentina consisted of: sand, \$1,361,225 (\$1,310,865); gravel, \$221,417 (\$121,080); wool thread, \$444,023 (\$532,340).

Exports to South Africa were: hides, \$571,700 (\$302,948); wheat flour, \$317,625 (nil); woollen piece-goods, \$385,244 (\$1,101,673); hosiery, \$101,425 (nil); linseed oil, \$92,615 (nil); wearing apparel, nil (\$259,533).

Exports to Switzerland consisted of: wool, \$351,126 (nil); linseed, nil (\$511,535); egg powder, \$199,638 (nil).

IMPORT TRADE

In the Uruguayan statistics, two sets of values are given for total imports, one based on values of import permits issued and the other on customs clearings figures. For the years 1941 to 1944 the comparative values were as follows:—

	1941
Permits issued	\$66,255,939
Customs clearings	63,135,333

In this report the figures shown for imports by countries and commodities are c.i.f. values based on the customs records, except where otherwise indicated.

IMPORTS BY COUNTRIES

The leading sources of supply of Uruguayan imports for the years 1938 to 1944 are shown in Table 4.

TABLE 4
Imports into Uruguay by Principal Countries

	1938*	1939	1940	1941	1942	1943	1944
	Figures in Thousands						
United States	\$ 4,287	\$ 3,679	\$10,392	\$19,424	\$20,068	\$16,095	\$18,856
Brazil	2,750	2,860	2,903	4,439	9,963	11,187	16,046
Argentina	1,221	2,585	4,595	6,581	6,523	10,512	9,279
Venezuela	460	59	718	2,286	2,622	2,836	4,125
Ecuador	1,031	986	1,590	1,944	2,439	2,636	3,854
United Kingdom	14,537	10,059	12,343	11,941	8,341	6,538	3,269
South Africa .....	.....	1	.....	9	73	1,921	2,886
Peru	2,119	2,466	1,563	2,752	1,674	3,427	2,999
Sweden	1,731	1,623	1,135	1,244	1,489	12	2,322
India .....	.....	734	1,109	1,048	1,884	1,922	1,694
Canada	223	101	607	1,056	1,313	1,364	1,255
Paraguay	184	269	309	432	1,338	1,486	1,244
Chile	314	188	161	188	606	997	879
Dutch Indies .....	.....	1,758	2,698	3,060	1,801	542	697
Germany	16,193	10,398	782	154	147	6	16
France	2,213	2,211*	1,558	65	18	6	35
Italy	2,758	4,649*	3,087	180	16	.....	3
Belgium	1,723	2,376*	2,367	112	11	.....	8
Netherlands	4,031	1,425	1,046	32	6	9	.....
Japan	2,289	904	1,727	1,881	323	8	.....
Mexico .....	.....	93	309	432	340	158	794

*Values of import permits issued.

Values of the most important commodities imported into Uruguay in 1943 and 1944 are shown in Table 5.

In 1944 the United States was again first among supplying countries, followed by Brazil and Argentina (which together accounted for 60 per cent of all imports), Venezuela, Ecuador, the United Kingdom, Peru, South Africa, and Sweden. The United States and Brazil replaced the two European countries, the United Kingdom and

Germany, as principal sources of imports.

The increase in imports from the United States is accounted for mainly by heavier purchases of raw materials (including newsprint and printing paper), while Brazil supplied greater quantities of manufactured goods, especially textiles.

The leading imports from the United States were: tinplate, \$2,606,366 (\$2,-181,810 in 1943); coal, \$1,381,010 (\$1,512,756); drugs and pharmaceuticals, \$840,112 (\$513,337); reinforcing steel, \$669,888 (\$734,566); steel wire, \$445,080 (\$354,015); grease and lubricants, \$440,326 (\$518,472); farm machinery parts, \$504,223 (\$685,761);

rayon fabric, \$421,374 (\$329,336); steel sheets, \$359,825 (\$435,106); machinery parts, \$300,816 (n.a.); wood-pulp, \$300,000 (\$254,141); cotton fabric, \$307,174 (\$216,840); electric cable and wire, \$261,695 (\$67,657); lumber, \$216,567 (\$3,327); automobiles, \$196,400 (\$55,995); newsprint, \$148,397 (\$75,338); films, \$148,207 (\$24,491); valves and pipe fittings, \$135,507 (\$65,176); barbed wire, \$266,330 (\$144,502); furs, \$208,491 (\$197,912).

Brazil supplied the following commodities: cotton fabric, \$3,850,279 (\$2,227,041); refined sugar, \$2,857,755 (\$1,323,904); yerba mate, \$2,679,505 (\$1,452,598); lumber, \$2,006,956 (\$1,877,709); cotton thread, \$868,597 (\$1,142,690); coffee, \$171,183 (\$558,628); tobacco, \$615,639 (\$347,368);

bananas, \$309,179 (\$185,017); raw sugar, \$249,647 (\$7,454).

Argentina, third among supplying countries, accounted for the greatest number of items, none of which exceeded in value one million dollars. The more important articles were: raw cotton, \$792,769 (\$132,742); eggs,

Uruguay's Imports by Principal Commodities

Raw materials—	1943	1944
Tinplate	\$ 2,182,158	\$ 2,641,963
Raw sugar	1,228,050	2,637,145
Jute	1,731,191	1,420,758
Tobacco	880,858	1,297,098
Newsprint	843,298	1,189,980
Cotton thread	1,638,117	1,034,061
Raw cotton	426,026	933,297
Wood-pulp	274,294	797,157
Printing paper	307,722	712,298
Raw coffee	591,651	749,835
Rayon thread	673,403	460,106
Sunflower seed .....	.....	403,567
Yerba	275,584	383,379
Steel sheet	435,153	359,825
Quebracho extract	265,916	291,729
Sulphur	270,415	132,539
Caustic soda	137,932	88,800
Corn for distillery	369,096	46,255
Others	5,412,905	6,619,360
Total	\$17,943,829	\$22,199,152
Per cent of total imports	28	30
Foodstuffs—		
Refined sugar	\$ 4,176,056	\$ 3,484,841
Yerba mate	1,455,627	2,333,185
Raisins	65,926	554,016
Eggs	28,016	464,979
Bananas	193,477	310,427
Whisky	236,322	239,874
Potatoes	278,079	236,353
Peas and beans	359,652	283,011
Cigarettes	124,045	155,400
Nuts	120,727	151,955
Others	1,305,481	1,566,629
Total	\$ 8,343,408	\$ 9,780,680
Per cent of total imports	13	13
Textiles—		
Cotton fabric	\$ 2,987,502	\$ 4,647,628
Rayon fabric	586,693	771,528
Wool, silk and thread	484,096	496,329
Wool cloth	526,689	336,297
Furs	223,759	304,912
Lining .....	.....	120,018
Rayon and cotton fabric	92,568	117,866
Ribbons, braid, etc.	72,064	107,698
Others	837,042	710,216
Total	\$ 5,810,576	\$ 7,612,492
Per cent of total imports	9	10
Rolling-mill products and building materials—		
Lumber	\$ 2,010,791	\$ 3,250,409
Reinforcing steel	734,566	669,888
Galvanized wire	354,026	278,320
Refractories	133,984	230,085
Steel bars	234,089	272,828
Asphalt	52,162	254,288
Steel wire .....	.....	191,289
Others	1,676,711	1,913,820
Total	\$ 5,196,329	\$ 7,060,927
Per cent of total imports	9	10

\$464,979 (\$28,016); salt, \$437,459 (\$248,018); seed potatoes, \$407,678 (\$294,278); sunflower seed, \$403,529 (nil); corn, \$328,850 (\$1,389,184); cotton fabric, \$295,299 (\$174,288); table potatoes, \$236,353 (\$245,025); woollen fabric, \$211,650 (\$90,717).

Imports from Venezuela were principally fuels, as follows: fuel oil, \$2,272,504 (\$2,764,848); crude petroleum, \$1,316,520 (nil); coal, \$20,654 (nil); Diesel oil, \$461,492 (\$36,183); gas oil, \$33,214 (nil).

Imports were somewhat similar in the case of Ecuador. Out of a total of \$3,854,525 (\$2,836,036) crude petroleum accounted for \$3,805,756 (nil). There were no imports of fuel oil as against \$2,592,654 in 1943.

The main items obtained from Peru were: raw sugar, \$2,117,498 (\$1,220,596); refined sugar, \$494,236 (\$2,032,764); coal, \$127,380 (\$158); arsenic, \$96,622 (nil); lead, \$80,565 (nil).

It is many years since the value of imports from the United Kingdom was so low. Imports of the main item, coal, were valued at only \$92,227, and there were no imports of sugar, usually second in importance. Most important among items now supplied are: silk and thread, \$448,475 (\$451,311); rayon thread, \$353,991 (\$316,987); rayon fabric, \$246,791 (\$156,453); whisky, \$220,707 (\$223,857); machine parts, \$200,379 (\$183,323); bathroom supplies, \$116,521 (\$144,910); ceramics, \$117,257 (\$78,125); woollen fabric, \$124,338 (\$435,910).

Imports from South Africa were practically limited to one item: coal, \$2,795,903 (\$1,899,620).

Swedish supplies, which increased in value from \$12,642 to \$2,322,033, included the following commodities: lumber, \$458,354; wood-pulp, \$454,530; printing paper, \$368,303; newsprint, \$289,684; building material, \$115,179; cardboard, \$157,649; industrial machinery, \$72,205; machine parts, \$78,147.

Trade Balances

Exports to the United States and the United Kingdom (\$77,648,576) exceeded by slightly more than \$5,000,-

000 the total c.i.f. value of all imports into Uruguay. Out of these \$77 millions, almost \$38,000,000 was for wool bought by the United States, or \$12,000,000 greater than the favourable trade balance for 1944. Before the outbreak of the war Uruguay shipped her wool to Europe; during the war she was fortunate enough to find a purchaser in the Western Hemisphere, but the future is uncertain, as Europe may not be able to buy, and United States may not need to buy wool from Uruguay as she did during recent years. This is the main problem of Uruguay to-day, and the necessity for a solution is imperative; she must sell to Europe or the United States, as she cannot count on her trade with South America to compensate for any deficit in that with the rest of the world. Uruguay's trade deficit with South America reached the relatively high figure of \$31,188,663. With Brazil and Argentina the continued deficit is \$19,000,000, a figure which may be reduced only by buying from countries which purchase her products, but it is not possible to do so in the case of Ecuador, Peru, and Venezuela. The situation is made more difficult by the fact that, while Uruguay may be obliged to accept a reduction in the value of her exports, she may be forced to import more heavily, i.e., what she could not import during the war. A counterbalancing factor, however, will be the contribution from her domestic industry developed during the war.

Trade with Canada

According to Uruguayan statistics, exports to Canada were valued at \$7,512 in 1944 as against \$15,231 in 1943; imports of Canadian products showed a slight decrease, from \$1,349,333 to \$1,255,443.

According to Canadian statistics, the corresponding figures are \$248,268 (\$550,806 in 1943) for imports from Uruguay into Canada and \$1,330,974 (\$842,995) for exports to Uruguay from the Dominion.

The discrepancies may be explained by the joint purchases of canned meats,

hides, wool, etc. The main items of import from Canada have been: newsprint, \$878,104 (\$767,960); printing paper, \$110,756 (\$25,760); machinery, mostly agricultural, and parts, \$81,104 (\$116,000); carbide, \$71,764 (\$19,456); aluminium ingots, \$22,508 (nil); furs, \$16,114 (nil); whisky, \$13,051 (\$8,714); asbestos, nil (\$60,419). Canada's shipment of seed potatoes are not recorded in the statistics. Canada also supplied abrasives, ferro-alloys, and cardboard.

ITEMS OF INTEREST TO CANADA

Following is a summary showing the distribution by countries of the imports into Uruguay in 1944 of items in the supply of which Canada participated; figures for 1943 are shown within parentheses:—

Newsprint.—Total imports, \$1,189,950 (\$843,298): Canada, \$878,104 (\$767,960); Sweden, \$289,684 (nil); United States, \$18,735 (\$75,338); Brazil, \$3,427 (nil).

Printing Paper.—Total imports, \$712,298 (\$307,722): Sweden, \$368,803 (nil); United

States, \$148,397 (\$252,619); Canada, \$110,756 (\$25,760); Argentina, \$73,723 (\$61); United Kingdom, \$10,619 (\$25,351); Newfoundland, nil (\$3,931).

Carbide.—Total imports, \$90,179 (\$34,198): Canada, \$71,764 (\$19,456); United States, \$18,764 (\$14,709); Argentina, \$48 (\$33).

Aluminium Ingots.—Total imports, \$80,160 (\$10,437): Canada, \$22,508 (nil); United States, \$20,534 (nil); Switzerland, \$17,453 (nil); Argentina, \$12,753, probably scrap aluminium (\$283); Chile, \$6,912 (nil).

Ferro-alloys.—Total, \$69,867 (\$41,407): United States, \$61,557 (\$27,313); Brazil, \$4,458 (\$14,094); Canada, \$3,852 (nil).

Sewing-machines.—Total imports, \$52,450 (\$21,370): United States, \$28,256 (\$4,390); Sweden, \$15,175 (\$650); Canada, \$9,019 (\$16,330).

Asbestos.—Total imports, \$82,838 (\$102,742): Canada, nil (\$60,419); Southern Rhodesia, \$68,453 (\$36,403); United States, \$393 (\$3,047); United Kingdom, \$1,743 (\$2,660); Argentina, nil (\$213); South Africa, \$12,279 (nil).

Furs.—Total imports, \$304,912 (\$223,759): United States, \$208,491 (\$197,912); United Kingdom, \$47,236 (\$20,169); Canada, \$16,114 (nil); Sweden, \$14,000 (nil); Argentina, \$10,826 (\$5,678); South Africa, \$8,245 (nil).

ECONOMIC, TRADE AND PRODUCTION NOTES

Denmark

FOREIGN TRADE IN OCTOBER

Danish commercial statistics showed an export surplus of 20 million kroner (one krone equals 23 cents Canadian) for the month of October, exports amounting to 98·4 million kroner and imports to 78·4 million kroner, reports the Scandinavian Shipping Gazette. To the end of October, Danish imports totalled 497·9 and exports 683·8 million kroner. For the corresponding period of 1944 the totals were 1,000·4 and 1,140·9 million kroner, respectively.

Fiji

FOREIGN TRADE IN 1944

Official statistics show that the trade of Fiji during 1944 declined from that of the peak war years of 1942 and 1943. Compared with 1943, both imports and exports were lower, and the net result of the year's trading was an excess of imports over exports of £577,886. Customs duty in 1944 showed

a decrease of £114,787 from 1943 but an increase of £113,142 over 1942.

The total value of imports showed a decrease of £128,149 as compared with 1943, arising as follows: food, drink and tobacco, a decrease of £260,157; raw materials, increase of £110,522; manufactured articles, decrease of £103,279; miscellaneous, decrease of £4,478; bullion and specie, increase of £129,243. The total value of imports was £2,586,190, of which the United Kingdom supplied £416,104, Canada £176,476, Australia £810,738, and the United States £654,085. Exports at £1,935,564 showed a decrease of £405,670 from 1943. Principal decreases were in sugar, bananas and bullion.

Newfoundland

PRICE CEILING ON POTATOES AND CABBAGE INCREASED

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, writes under date January 21 that two orders have been issued by the Commissioner

for Supply of the Newfoundland Government which provide for increases in the price ceilings on potatoes and cabbage. The first order advanced the retail ceiling price of potatoes from the former level of 4 cents per pound to 5½ cents per pound; while in the case of cabbage, the selling price to retailers has been advanced from 7 cents to 10 cents per pound and the retail selling price from 9 cents to 12½ cents per pound. Both these orders were made under Authority of the Defence (Price of Goods) Regulations, 1941, and became effective as from midnight on January 19, 1946.

Sweden

SHIPMENTS OF CELLULOSE

Swedish cellulose shipments in 1945 are estimated to have totalled between

1,400,000 and 1,450,000 tons, including the quantities of fodder cellulose sold out of surplus government stocks, according to the *Swedish Timber and Wood Pulp Journal*. By way of comparison, the total quantity of cellulose exported by Sweden in the year 1939 was 2,025,000 tons. However, on the resumption of shipments early in the summer of 1945, Sweden had unusually large inventories, amounting to more than 900,000 tons. The reserves at the end of 1945 had been reduced to less than 200,000 tons.

About half of the 1945 exports, or approximately 700,000 tons, went to the United States, which received 830,000 tons Swedish cellulose in 1939. The remainder went mainly to Great Britain, France, Belgium, Norway, Holland, Brazil, Argentina, Spain, Portugal and Switzerland.

CANADA'S EXPORT TRADE IN 1945

According to figures released by the Dominion Bureau of Statistics, the aggregate value of Canada's merchandise export trade in the calendar year 1945 recorded a decline of 6.4 per cent from the historical maximum reached in the preceding year, the total being \$3,218,330,000 as compared with \$3,439,953,000. Sharp curtailment was shown in the export movement of war materials, the value of goods in this category falling from \$1,555,157,000 in 1944 to \$1,161,096,000 in 1945, a reduction of 25.3 per cent. On the other hand, the movement abroad of non-war goods rose from \$1,884,796,000 in 1944 to \$2,057,234,000, or by 9.1 per cent.

Domestic merchandise exports to the United States were valued at \$1,196,977,000 as compared with \$1,301,322,000 in 1944, a decrease of 8 per cent. The value of exports to the United Kingdom was \$963,238,000 as against \$1,235,030,000, a decline of 22 per cent. Exports to British India were worth \$307,461,000 as compared with \$174,794,000; Italy, \$89,470,000 as against \$160,118,000; France, \$76,917,000 as compared with \$15,865,000; Russia, \$58,820,000 as against \$103,264,000; Newfoundland, \$40,515,000 as com-

pared with \$47,950,000; and the Netherlands, \$39,970,000 as against \$94.

The following were other leading destinations of Canada's domestic merchandise exports in 1945, totals for 1944 being shown within parentheses: British South Africa, \$31,593,000 (\$23,597,000); Australia, \$32,226,000 (\$43,513,000); Belgium, \$34,618,000 (\$1,000); Egypt, \$36,417,000 (\$108,290,000); Greece, \$25,563,000 (\$8,574,000); Ireland, \$14,278,000 (\$11,971,000); Jamaica, \$14,404,000 (\$13,884,000); Trinidad and Tobago, \$16,433,000 (\$16,474,000); New Zealand, \$19,102,000 (\$11,916,000); Brazil, \$16,748,000 (\$7,324,000); French Africa, \$16,908,000 (\$32,163,000); Switzerland, \$10,922,000 (\$16,129,000); Yugoslavia, \$11,711,000 (nil); Ceylon, \$8,290,000 (\$6,199,000); Mexico, \$8,165,000 (\$6,273,000); Morocco, \$9,192,000 (\$1,282,000); Poland, \$9,249,000 (nil); Norway, \$7,842,000 (nil).

The total value of agricultural products exported rose from \$741,265,000 in 1944 to \$819,445,000 in 1945. Wheat exports advanced from \$384,150,000 to \$475,787,000, and wheat flour from \$90,001,000 to \$97,855,000. The aggregate value of animal-product exports moved up from \$372,926,000 to \$398,-

063,000. Fishery products advanced from \$63,854,000 to \$80,226,000, while meats were lower at \$166,974,000 as compared with \$192,001,000; meat exports have been increasing in recent months. A sharp decline was recorded for the iron products group, from \$772,935,000 in 1944 to \$555,090,000. In this latter group, motor vehicles and parts fell from \$433,247,000 in 1944 to \$351,889,000. The value of planks and boards rose from \$90,119,000 to \$98,935,000, of wood-pulp from \$101,563,000 to \$106,055,000, and newsprint paper from \$157,191,000 to \$179,451,000. The total value of wood and paper products moving into export channels rose from \$440,901,000 in 1944 to \$488,041,000.

Other large exports during 1945 were as follows, figures for 1944 being shown within parentheses: alcoholic beverages, \$29,406,000 (\$21,109,000); rubber, \$31,328,000 (\$25,667,000); furs, \$29,572,000 (\$27,029,000); cheese, \$27,909,-

000 (\$27,062,000); processed eggs, \$27,297,000 (\$21,268,000); wool, \$19,559,000 (\$24,592,000); pulpwood, \$23,882,000 (\$20,012,000); engines and boilers, \$22,654,000 (\$12,781,000); farm implements and machinery, \$20,196,000 (\$13,434,000); aluminum, \$133,567,000 (\$105,520,000); copper, \$40,860,000 (\$40,544,000); nickel, \$54,778,000 (\$68,401,000); zinc, \$20,373,000 (\$15,209,000); electrical apparatus, \$60,957,000 (\$71,700,000); asbestos, \$22,184,000 (\$19,830,000); explosives, \$29,248,000 (\$19,072,000); fertilizers, \$30,428,000 (\$24,000,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of December and the twelve months ended December, 1944 and 1945:—

Canada's Domestic Exports by Principal Countries

	Month of December		Twelve Months ended	
	1944	1945	1944	1945
All countries	\$ 266,879,442	\$ 234,826,037	\$3,439,953,165	\$3,218,330,353
British Empire	108,579,438	95,740,872	1,620,450,900	1,486,847,837
United Kingdom	77,882,757	66,397,271	1,235,030,206	963,237,687
Ireland (Eire)	975,398	345,348	11,971,034	14,278,282
Aden	664	2,809	126,587	156,199
British East Africa	257,601	31,183	6,209,080	3,786,516
British South Africa	1,327,542	2,572,957	23,597,002	31,593,023
Southern Rhodesia	35,417	80,217	1,187,236	2,008,504
British West Africa	30,933	113,554	2,518,851	1,617,197
Bermuda	133,874	314,985	2,471,775	2,510,537
British India	17,016,036	13,137,332	174,794,243	307,460,947
Burma .....	.....	369,699	.....	477,783
Ceylon	1,670,280	413,086	6,199,212	8,289,889
Straits Settlements .....	.....	260,969	.....	1,113,802
British Guiana	347,045	509,354	5,738,519	6,417,575
British Honduras	66,526	67,450	531,897	883,652
Barbados	462,705	464,442	4,247,716	4,750,392
Jamaica	899,775	603,218	13,884,332	14,404,089
Trinidad and Tobago	731,608	1,376,839	16,478,851	16,432,835
Other British West Indies....	496,321	732,305	5,819,395	6,865,244
Gibraltar	53,097	1,039	395,116	585,644
Malta	214,628	309,021	3,056,019	4,739,757
Newfoundland	4,106,077	3,270,460	47,949,849	40,515,102
Australia	1,593,916	1,991,061	43,513,019	32,225,763
Fiji	2,070	29,453	461,533	261,010
New Zealand	69,058	1,715,635	11,915,612	19,102,227
Palestine	203,736	540,042	2,169,196	2,866,255
Foreign countries	158,300,004	139,085,165	1,819,502,265	1,731,482,516
Albania .....	.....	184,831	.....	496,799
Argentina	258,800	834,063	3,644,997	6,002,870
Belgium	40	4,995,337	1,014	34,617,705
Belgian Congo	36,633	69,185	1,225,280	944,666
Bolivia	10,184	27,808	206,346	319,260
Brazil	523,567	4,030,300	7,324,271	16,747,957
Chile	156,208	296,858	1,648,496	2,561,589
China	1,928	3,477,920	14,900,905	6,572,798
Colombia	162,959	412,168	2,215,189	5,010,701

	Month of December		December Twelve Months ended	
	1944	1945	1944	1945
Costa Rica	11,005	51,582	314,116	521,391
Cuba	243,231	288,466	3,725,156	4,534,806
Czechoslovakia .....	....	400,703	....	6,717,100
Denmark .....	....	17,078	....	108,714
Ecuador	33,059	25,166	300,942	360,390
Egypt	3,082,968	1,310,124	108,290,439	36,416,925
Finland .....	....	112	....	172
France	2,663,354	9,585,549	15,864,731	76,916,610
French Africa	2,251,842	271,578	32,163,019	16,908,030
French Guiana .....	....	841	29,247	50,297
French Oceania	8,848	25,109	177,777	143,206
French West Indies	8,672	17,577	208,086	351,460
Madagascar	502	25,186	71,759	53,716
St. Pierre and Miquelon	41,334	86,618	579,693	736,813
Germany .....	....	1,120,069	....	2,724,506
Greece	646,646	1,222,226	8,573,945	25,563,317
Guatemala	8,875	50,208	348,615	423,963
Haiti (Republic of)	76,356	65,689	505,304	612,468
Honduras	14,125	14,382	114,167	187,649
Hungary .....	....	115	....	115
Iceland	319,775	68,373	2,654,386	3,681,058
Iraq	66,683	44,312	5,747,391	3,494,447
Italy	11,101,829	648,790	160,117,718	89,470,246
Liberia .....	....	3,914	18,831	83,832
Mexico	507,875	717,234	6,272,758	8,165,058
Morocco	9,297	72,207	1,282,253	9,191,782
Netherlands	54	8,272,891	94	39,970,165
Netherlands East Indies .....	....	234,897	....	855,770
Netherlands Guiana	7,279	2,253	194,483	173,544
Netherlands West Indies	32,362	68,147	328,797	798,590
Nicaragua	4,655	31,136	250,514	317,199
Norway .....	....	267,164	....	7,841,764
Panama	62,353	118,166	672,459	1,006,301
Paraguay	25	3,889	29,747	43,537
Persia	120	97,590	1,005,016	1,816,498
Peru	80,018	236,160	1,339,275	3,956,688
Poland .....	....	21,000	....	9,249,195
Portugal	6,227	202,390	620,139	2,356,226
Portuguese Africa	11,792	14,044	381,183	811,610
Russia (U.S.S.R.)	7,634,200	2,314,605	103,264,280	58,819,525
Salvador	32,236	52,734	274,802	385,828
San Domingo	43,892	71,340	397,872	732,166
Spain	1,429	196,937	89,801	991,587
Sweden .....	....	820,432	16,105	4,168,832
Switzerland	999,049	595,308	16,128,941	10,921,964
Syria	2,005	16,664	67,401	630,408
Turkey	254,227	34,183	7,064,340	709,637
United States	126,368,746	88,949,659	1,301,322,402	1,196,976,726
Alaska	10,925	12,500	278,457	222,766
Hawaii	126048	540,688	1,956,388	3,933,711
Philippine Islands .....	....	417,504	....	2,153,264
Puerto Rico	156,283	261,907	1,970,579	2,301,314
Uruguay	27,103	300,600	1,330,974	1,857,305
Yugoslavia	174,047	606,261	1,810,339	4,053,042
Venezuela .....	....	3,789,578	....	11,710,521

Exports by Principal Commodities

	Month of December		Twelve months ended December	
	1944	1945	1944	1945
Thousands of Dollars				
Total domestic exports*	266,879	234,826	3,439,953	3,218,330
Agricultural and vegetable products	68,545	83,937	741,265	819,445
Fruits	1,899	518	10,586	13,905
Fruits, fresh	1,661	398	8,457	10,060
Apples, fresh	1,652	348	6,010	3,457
Fruits, dried	25	10	549	1,172
Apples, dried	25	....	549	1,160
Fruits, canned	52	92	427	1,566
Fruit juices and fruit syrups	161	18	1,152	1,107
Vegetables	1,434	1,070	13,603	17,596

Exports by Principal Commodities—Con.

	Month of December		Twelve months ended December	
	1944	1945	1944	1945
	Thousands of		Dollars	
Vegetables, fresh	854	427	7,090	8,829
Potatoes (except seed)	596	90	4,712	5,710
Vegetables, dried	405	334	4,983	5,507
Vegetables, canned	116	149	820	2,117
Grains	45,256	63,724	500,892	556,995
Barley	4,160	68	45,588	24,101
Wheat	34,393	58,798	384,150	475,787
Milled products	8,874	7,888	96,702	106,666
Flour of wheat	8,106	7,404	90,001	97,855
Prepared foods and bakery products	127	159	1,654	2,442
Farinaceous products, other	420	606	7,552	5,010
Vegetable fats, edible	105	142	1,365	1,519
Sugar and products	470	345	7,817	11,933
Sugar (refined)	22	3	888	2,631
Vegetable products, other, mainly food	113	66	1,689	1,605
Beverages, alcoholic	2,177	2,883	21,109	29,406
Ale, beer and porter	478	394	5,599	4,971
Beverages, distilled	1,699	2,471	15,398	24,317
Whisky	1,644	2,241	14,874	22,977
Oils, vegetable, not edible	206	474	2,794	2,836
Linseed and flaxseed oil	203	474	2,770	2,762
Rubber	3,136	1,593	25,667	31,328
Pneumatic tire casings	1,143	273	12,190	11,568
Inner tubes	93	35	1,028	1,108
Seeds	3,614	2,740	27,692	17,338
Seed potatoes	778	897	4,064	5,465
Tobacco	18	318	5,823	8,085
Tobacco, unmanufactured	2	187	4,933	6,723
Vegetable products, other, not food	666	1,372	16,018	12,337
Hay	49	557	5,644	2,620
Animals and animal products	27,448	42,038	372,926	398,063
Animals, living	1,036	1,066	12,857	15,845
Cattle (except for stock)	365	572	5,517	7,096
Fish and fishery products, n.o.p.	4,287	6,171	63,854	80,226
Fish, fresh and frozen	2,505	2,954	31,478	44,232
Fish, dried, salted, pickled, smoked	1,107	1,088	10,459	11,791
Fish, canned or preserved	647	2,103	21,233	23,865
Furs	3,782	6,330	27,029	29,572
Undressed furs	3,755	6,279	26,204	28,521
Leather, unmanufactured	198	400	2,910	4,004
Leather, manufactured	200	455	3,553	3,748
Meats	11,848	19,771	192,001	166,974
Bacon, hams, shoulders, sides	9,461	8,963	148,301	96,493
Milk and products	3,636	5,076	34,814	43,257
Butter	140	224	1,881	2,236
Cheese	3,164	2,710	27,062	27,909
Animal oils, fats, greases and wax	504	136	9,237	5,201
Animal products, other	1,848	2,302	24,990	47,326
Eggs in the shell	83	773	604	16,823
Eggs, processed	1,645	1,191	21,268	27,297
Fibres, textiles and textile products	6,988	4,659	59,742	56,881
Cotton	811	754	9,252	10,141
Cotton fabrics	375	315	2,881	5,066
Flax, hemp and jute	101	85	2,243	1,682
Fibre and tow	94	72	2,190	1,371
Silk .....	.....	.....	.....	.....
Wool	3,497	2,765	24,592	19,559
Wool, raw	584	297	4,889	3,743
Artificial silk	337	409	6,552	8,961
Fabrics, artificial silk	56	252	917	1,644
Fibres and textiles, other	2,242	646	17,103	16,538
Wood, wood products and paper	35,737	41,607	440,901	488,041
Wood, unmanufactured	13,490	14,394	155,659	168,696
Logs	203	135	3,425	2,213
Planks and boards	8,597	8,642	90,119	98,935
Timber, square	67	203	830	1,060
Shingles	568	523	6,984	8,001
Pulpwood	1,271	1,201	20,012	23,882
Wood, manufactured	8,106	9,029	105,084	111,209
Wood-pulp	7,869	8,620	101,563	106,055
Paper	13,829	17,699	177,290	203,012
Newsprint paper	12,179	15,840	157,191	179,451
Books and printed matter	311	484	2,868	5,124

	Month of December		Twelve months ended December	
	1944	1945	1944	1945
	Thousands of Dollars			
Iron and its products	43,959	17,340	772,935	555,090
Iron ore	35	....	1,153	2,553
Pigs, ingots, blooms, billets	1,334	567	17,014	19,431
Castings and forgings	758	87	3,320	6,389
Rolling-mill products	1,019	270	10,130	10,189
Pipes, tubes and fittings	121	171	2,429	3,096
Wire	214	145	2,112	2,661
Engines and boilers	237	2,559	12,781	22,654
Farm implements and machinery	611	1,971	13,434	20,196
Hardware and cutlery	208	285	3,575	4,077
Machinery (except agricultural)	1,944	1,035	24,947	19,869
Tools	147	110	1,666	2,042
Vehicles, chiefly of iron	21,924	9,590	433,247	351,889
Automobiles, freight	13,768	2,086	246,153	206,730
Automobile parts	5,542	837	139,345	93,852
Iron products, other	15,340	492	245,426	89,156
Non-ferrous metals and their products.....	27,405	19,105	339,908	352,546
Aluminium	10,408	2,202	105,520	133,567
Bars, blocks, ingots, blooms	9,822	1,659	93,494	121,779
Brass	163	521	7,067	4,363
Bars, ingots, rods, strips, sheets, plates	39	38	3,927	2,431
Copper	5,033	5,794	40,544	40,860
Ingots, bars, cakes, slabs, billets	4,440	5,299	29,049	32,098
Rods, strips, sheets, plates, tubing.....	201	41	4,193	1,956
Lead	239	596	7,045	9,177
Nickel	5,078	3,357	68,401	54,778
Precious metals, except gold	892	1,173	10,827	17,200
Zinc	841	3,183	15,209	20,373
Electrical apparatus	4,240	1,288	71,700	60,957
Radio and wireless apparatus	2,975	885	51,475	35,949
Non-ferrous metals, other	466	1,175	12,750	10,335
Non-metallic minerals and their products.....	3,609	3,899	58,398	59,555
Asbestos	1,359	1,418	19,830	22,184
Asbestos milled fibres	38	1,016	650	15,858
Clay and products	62	60	526	627
Coal and products	635	624	7,790	7,033
Petroleum products	280	622	9,057	11,252
Gasoline	96	203	5,706	8,255
Stone and products	1,007	1,007	16,630	14,509
Abrasives, artificial, crude	854	760	14,284	11,741
Non-metallic minerals, other	220	100	3,306	2,974
Chemicals and allied products	8,116	5,866	100,688	111,318
Acids	282	140	2,342	2,830
Alcohols, industrial	115	11	8,927	5,375
Toilet preparations	163	107	1,683	1,745
Medicinal and proprietary preparations.....	237	216	4,256	5,740
Explosives	2,253	55	19,072	29,248
Fertilizers	1,936	3,259	24,000	30,428
Paints and varnishes	192	290	2,534	3,973
Soap	174	317	1,468	3,974
Inorganic chemicals, n.o.p.	1,365	719	14,914	12,685
Calcium compounds, n.o.p.	223	246	5,709	4,027
Soda and sodium compounds	456	366	4,263	5,420
Chemical products, other	1,392	747	21,361	15,187
Miscellaneous commodities	45,072	16,375	553,190	377,391
Amusement and sporting goods, n.o.p.....	50	74	448	1,086
Brushes	43	80	910	890
Containers, n.o.p.	47	73	916	1,534
Household and personal equipment, n.o.p....	159	442	2,264	4,189
Pens, pencils and parts	49	155	487	1,472
Scientific and educational equipment.....	2,032	332	12,615	9,658
Films	155	290	1,560	2,309
Ships and vessels	683	2,781	23,287	15,591
Vehicles, n.o.p., chiefly aircraft	14,460	821	107,133	108,171
Miscellaneous commodities, other	27,584	11,762	405,506	236,092
Cartridges	22,480	46	313,896	174,772
Electrical energy	603	558	7,842	7,574

*December totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores valued at \$42,472,000, in December, 1945, and \$109,497,000 in December 1944. The percentage of war materials in other items cannot be ascertained.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); and Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela. Their itineraries as presently arranged are as follows:—

Mr. Palmer

Montreal—From Feb. 4.

Mr. Bissett

Quebec—Feb. 6 and 7.

Montreal—Feb. 8 to 23.

Ottawa—Feb. 25 to 27.

Mr. MacDonald

Toronto—Feb. 9 to 23.

Ottawa—Feb. 25 to 27.

Montreal—Feb. 28 to Mar. 6.

Ottawa—Mar. 7 to 12.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; for Montreal, with the Montreal Board of Trade; and for Quebec, with the office of the Board of Trade.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Export Permit Branch Order No. 135, effective January 29, 1946, the unlimited exemption previously established for ammonium sulphate and fertilizers of every kind and analysis, other than ammonium sulphate, included in Group 8 (Chemical and Allied Products), is modified in respect of exports to the British West Indies and to St. Pierre and Miquelon, so that an export permit will be required for shipments thereof valued in excess of \$25 when consigned to the destinations specified.

By Export Permit Branch Order No. 134, effective January 17, 1946, Regulation 24 of the Export Permit Regulations is amended by the addition thereto of Sub-section 4, hereunder, so that an export permit will not be required for the specified sample goods on being returned from Canada to the United States.

24 (4) Clothing, wearing apparel and textile articles brought to Canada temporarily and solely for designing or copying purposes, if complying fully in every other respect with the regulations of the Department of National Revenue

(Customs Division), as set forth in their memorandum Wm. No. 102, supplement No. 2, of August 8, 1944.

Jamaica

DOCUMENTATION OF SHIPMENTS

Mr. M. B. Palmer, Trade Commissioner in Kingston, Jamaica, writes under date January 16, 1946, that the Collector General has brought to his attention that, upon customs examination of shipments received from Canada, difficulty is experienced and inconvenience caused to importers by reason of the fact that consignments of miscellaneous goods are frequently covered by invoices which do not show the contents of each package separately and are unaccompanied by packing lists. In such cases it sometimes happens that, in order to verify a certain article, it is necessary to open all the packages in a consignment.

In order to eliminate all unnecessary examinations and delay in clearance, Canadian exporters to Jamaica are requested to ensure that consignments of miscellaneous goods are accompanied by packing lists and, whenever practicable, by invoices designed to facilitate the verification of any given item of the shipment.

POSTAL SERVICES AND RATES

Parcel Post Rates to Norway Reduced

As a result of the revision in the charges which Canada is required to pay for the conveyance of parcels from

Canada to Norway, the rates of postage have been reduced at certain weights and until further notice will range from 70 cents for 1 pound to \$2.35 for 11 pounds.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations Jan. 21	Nominal Quotations Jan. 28
Argentina ..	Peso	Off.	.3290	.3290
		Free	.2702	.2707
Australia	Pound		3.5600	3.5600
Belgium and Belgian Empire.....	Franc		.0251	.0251
Bolivia	Boliviano		.0263	.0263
British West Indies (except Jamaica) .	Dollar		.9271	.9271
Brazil	Cruzeiro	Off.	.0670	.0670
		Free	.0572	.0572
Chile	Peso	Off.	.0571	.0571
		Export	.0442	.0442
Colombia	Peso		.6296	.6296
Cuba	Peso		1.1050	1.1050
Czechoslovakia	Koruna		.0221	.0221
Denmark	Krone		.2301	.2301
Ecuador	Sucre		.0818	.0818
Egypt	Pound		4.5641	4.5641
Eire	Pound		£.4500	4.4500
Fiji	Pound		4.0181	4.0181
Finland	Markka		.0081	.0081
France	Franc		.0092	.0092
French North Africa.....	Franc		.0157	.0157
French Pacific.....	Franc		.0222	.0222
Haiti	Gourde		.2210	.2210
Hongkong	Dollar		.2781	.2781
Iceland	Krona		.1706	.1706
India	Rupree		.3337	.3337
Iraq	Dinar		4.4500	4.4500
Italy	Lira		.0111	.0111
Jamaica	Pound		4.4600	4.4600
Mexico	Peso		.2274	.2274
Netherlands	Florin		.4162	.4162
Netherlands West Indies	Florin		.5855	.5855
New Zealand	Pound		3.5779	3.5779
Norway	Krone		.2225	.2225
Palestine	Pound		4.4500	4.4500
Peru	Sol		.1713	.1713
Philippines	Peso		.5525	.5525
Portugal	Escudo		.0445	.0445
Spain	Peseta		.1011	.1011
Straits Settlements	Dollar		.5192	.5192
Sweden	Krona		.2633	.2633
Switzerland	Franc		.2569	.2569
Turkey	Piastre		.0085	.0085
Union of South Africa	Pound		4.4500	4.4500
United Kingdom	Pound		4.4500	4.4500
United States	Dollar		1.1050	1.1050
Uruguay	Peso	Controlled	.7274	.7274
		Uncontrolled	.6220	.6220
Venezuela	Bolivar		.3298	.3298

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, *Canadian Government Trade Commissioner*, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo Fonseca 103-4°, Lisbon.

Territory includes Spain.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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ECONOMIC CONDITIONS IN NEWFOUNDLAND IN 1945

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

General economic conditions in Newfoundland during 1945 were again maintained at the same high level which has prevailed for the past few years. The transition from wartime to peacetime economy did not noticeably reduce the volume of trade, nor affect the returns for the country's basic exports—fisheries products, newsprint, and minerals. There was no unemployment during the year, although the demobilization of Service personnel did not reach its height until the last quarter of the year.

The newsprint industry operated at capacity and it is estimated that exports for 1945 exceeded those of 1944. Shipments of iron ore from the Wabana mines reached the million-ton mark for the first time since 1941. The production of lead, zinc and copper concentrates in 1945 was approximately the same as in the preceding year and, although fluorspar production decreased considerably, there was an increase in mining output.

An increase was recorded in fishery returns as compared with the previous year. The output of salted cod fell off slightly, but there was a substantial rise in the export of frozen cod filets. Herring production increased by more than 100 per cent and returns from this catch are the highest on record. The revival of the herring fishery was brought about as a result of contracts secured from UNRRA and FEA. The salmon fishery was not good and production declined about 50 per cent from the previous year's output. The lobster fishery was very satisfactory and production exceeded that of 1944, while the quantity of halibut caught declined.

Figures covering the first eleven months of 1945 indicate that production of refined cod-liver oil and common

cod oil was about the same as that of the previous year, while whale and herring oil output declined. There was, however, an increase in seal and poultry oil production.

The demand for consumer goods continued to be heavy and merchants' stocks of many lines were practically exhausted at the end of the year. Figures covering imports and exports during 1945 are not yet available but, based on revenue returns for the year which are complete, the volume of both exports and imports was about the same as that of 1944.

The country's revenue showed only a slight decline in 1945 as compared with the previous calendar year and there was a surplus of \$4,049,958 for the twelve months, a decrease compared with the surplus of \$7,790,976 for the previous twelve months. Expenditure in 1945 amounted to \$29,081,676 as against \$25,982,070 for 1944. This figure includes a sterling loan of \$1,500,000, which was repaid.

Foreign Trade

The total trade of Newfoundland for the fiscal year 1944-45 amounted to \$114,536,046. This is the highest total yet recorded and compares with \$106,933,269 for the previous fiscal year. The value of total trade has increased substantially in the last six years, from \$56,447,962 in the fiscal year 1938-39 and \$62,855,591 in 1937-38.

EXPORTS

Exports, including re-exports, from Newfoundland in 1944-45 were valued at \$48,711,980, an increase from \$42,523,363 in the previous year. Re-exports in these two years were valued at \$2,297,495 and \$2,047,205, respec-

tively. Whereas a high percentage of imports into Newfoundland is forthcoming from three countries, exports are consigned to a number of markets. The value of Newfoundland's domestic exports in the fiscal years 1944-45 and 1943-44 by principal countries is shown in the following table:—

Domestic Exports by Principal Countries

	1944-45	1943-44
Total	\$45,414,485	\$42,397,415
United Kingdom ..	12,055,626	11,436,099
United States	12,836,809	13,583,527
Canada	6,294,506	6,924,088
Portugal	3,488,789	2,200,844
Spain	2,079,006	2,822,867
Porto Rico	1,244,532	1,365,016
Jamaica	1,594,712	....
Greece	1,386,137	....

IMPORTS

Imports in 1944-45 were valued at \$65,824,066 as compared with \$62,488,649 in 1943-44 and \$52,376,885 in the nine-month period ended March 31, 1943. Newfoundland's imports prior to the war were very much lower; in 1937-38 they totalled \$27,912,351, while in 1938-39 they amounted to \$24,460,618. More than 98 per cent of Newfoundland's imports were forthcoming from three countries—Canada, the United States and the United Kingdom. This is illustrated in the accompanying table showing the value of total imports from Canada, the United States and the United Kingdom, in the fiscal years 1944-45, 1943-44, the nine-month period ended March 31, 1943, and the fiscal year 1941-42.

Imports into Newfoundland by Principal Countries

	1944-45	1943-44	July-Mar., 1943	1941-42
Total	\$65,824,066	\$62,488,649	\$52,376,885	\$64,584,894
Canada	42,034,879	41,483,171	33,414,615	38,758,646
United States	19,362,642	18,110,312	16,514,472	20,412,134
United Kingdom	2,088,003	2,039,041	3,916,308	3,999,345

Canadian Exports to Newfoundland

Total exports from Canada to Newfoundland for the first eleven months of 1945, according to figures issued by the Dominion Bureau of Statistics, were valued at \$37,244,642 as compared

with \$43,843,772 for the corresponding period of 1944 and \$47,949,849 for the year 1944. The principal items exported from Canada during the first eleven months of the calendar year 1945, together with comparative figures for the calendar year 1944, are outlined below:—

	1945	1944
Gasoline	\$3,247,377	\$5,687,300
Flour	2,896,793	2,697,955
Coal	2,402,517	2,670,984
Army and Navy stores		
n.o.p.	1,809,720	6,050,232
Fuel oil	1,117,528	2,692,098
Vegetable fats, edible ..	975,315	972,510
Fresh beef	935,738	1,006,891
Wool clothing	697,943	882,749
Meats	651,547	536,638
Bacon and hams	587,740	698,263
Rubber boots and shoes		
n.o.p.	528,606	461,128
Evaporated milk	490,163	524,251
Ale, beer and porter	488,369	594,591
Pickled pork in barrels	485,262	450,181
Mixed feeds	420,807	292,875

The value of imports for the Canadian armed forces declined sharply in the first eleven months of 1945 as compared with the previous twelve months. There was also a decrease in the value of gasoline and fuel oil imported. These three items account for a large percentage decline in the value of total imports in 1945.

Industry

FISHERIES

The production of frozen cod fillets in 1945 increased considerably and it was anticipated that exports for the year would reach 30,000,000 pounds as compared with the 1944 total of 22,000,000 pounds. The bulk of cod

fillets exported in 1945—about 60 per cent—were destined for the United Kingdom under contract concluded with the United Kingdom Ministry of Food.

There was a total of 44 filleting plants and 14 freezing plants operating

during the year, and with one exception the fish-freezing plants used the quick-freezing method. The progress made in the production of frozen cod fillets in Newfoundland has been remarkable and it has taken place within the last few years.

Following disappointing returns earlier in the year from the trap and Labrador fishery, the results of the fall fishery were very satisfactory and the estimated catch of salted cod of 950,000 quintals (of 112 pounds) for 1945 compared favourably with 988,000 quintals in the preceding year. There were approximately 24,500 men engaged in the cod fishery in 1945, a slight rise in comparison with the figures for the previous year. A number of the men formerly employed on base construction were absorbed into the fisheries.

The pickled herring pack for 1945 amounted to 218,979 barrels (of 225 pounds), a large increase over the 106,497 barrels in 1944. The herring contracts concluded with UNRRA and FEA provided a great stimulus to this phase of Newfoundland's fishing industry and the prices paid ensured higher returns for both fishermen and packers than was the case previously. A further contract for the 1945-46 season for 200,000 barrels of hard-cured split herring and 29,400 barrels of Scotch-cure herring has been arranged with UNRRA.

Fresh and frozen salmon production in 1945 amounted to 1,595,598 pounds, while the canned salmon pack totalled 7,676 cases and pickled salmon output was 106,000 pounds. This represents a decline of 50 per cent from the 1944 figures.

Lobster production for the year amounted to 2,622,088 pounds, a slight increase over 2,292,744 pounds in the previous year. More than half of the 1945 catch was shipped alive and the remainder was canned. Exports of halibut decreased from 155,909 pounds in 1944 to 107,500 pounds in 1945.

Figures covering the production of fish oils show that, for the first eleven months of 1945, common cod oil

amounted to 444,501 gallons as against 446,927 gallons in the same period in 1944; refined cod-liver oil to 307,387 gallons as against 308,128 gallons; whale oil, 299,615 gallons and 359,805 gallons; seal oil, 77,942 gallons and 31,464 gallons; herring oil, 21,734 gallons and 132,816 gallons; and poultry oil, 18,320 gallons and 6,923 gallons.

PULP AND PAPER

The country's two paper mills operated very close to capacity during 1945 and production of newsprint was well maintained. Both mills encountered a shortage of woods labour, which curtailed sulphite pulp exports in one mill and resulted in slightly reduced newsprint production for the final two months of the year in the case of the other mill.

Total newsprint production in 1945 was estimated at more than 360,000 tons and sulphite production amounted to about 40,000 tons. These represent increases over the totals of the previous year. The mills have been experimenting with various specialized products and exports of laminated board for the manufacture of cardboard boxes have already been made. In addition, wrappers of various qualities have been manufactured. Employment was given more than 9,000 in both mills and woods operations.

MINING

Newfoundland's mining production increased in 1945 as compared with the previous few years. Total iron ore output in 1945 was 968,350 tons as compared with 462,080 tons in 1944. With an easing in the shipping position, iron ore shipments advanced from 583,179 tons in 1944 to one million tons in the year under review. The mines worked on full time from February, 1945, until the end of the year. Of the 1945 iron ore shipments, 657,000 tons were consigned to Canada and 350,000 tons to the United Kingdom. These figures compare with 555,869 tons to Canada and 27,000 tons to the United Kingdom in 1944.

Production of lead, zinc and copper concentrates in 1945 amounted to approximately 360,000 tons as compared with 300,000 in the previous year. The demand for fluorspar fell off considerably with the decline in aluminium production after the cessation of hostilities. Nevertheless, 20,000 dry tons were shipped in 1945. There were two plants producing fluorspar in Newfoundland at the beginning of 1945, but one of these ceased operations towards the end of the year.

Shipbuilding

The shipbuilding yard at Clarenville, operated by the Newfoundland Government, completed its original construction program with the launching of the tenth of the 135-foot motor vessels built. These vessels are now being operated by the Newfoundland Government Railway. Two vessels, additional to those called for in the original program, are at present being fitted at the shipyards.

Agriculture

Newfoundland is dependent upon external sources of supply for a large proportion of her foodstuffs and other requirements. Agriculture is practised only on a limited scale and is confined to the production of staple foods such as potatoes, turnips, carrots, beets and parsnips; dairying; poultry raising and some live-stock raising. Local supply is not sufficient to meet demand. Attempts are being made by the Newfoundland Government to expand agricultural production, but suitable land for large-scale farming is at a premium.

Summary

There is still a shortage of certain lines of consumer goods in Newfoundland and, if supplies are available, imports for the first six months of this year are not likely to decline much below the level recorded for the same period in 1945. Newfoundland's fish exporters will encounter keen competition for world markets from other producing countries in the near future, although the full effect of this competition may not be felt for some time, and export totals are not likely to show a drastic decline in 1946.

Revenue returns may show a decline during 1946 as imports decrease, but returns from taxation which are levied against 1945 operations should be about the same. The country's economy will undoubtedly be affected by the change from wartime to peacetime pursuits and there is bound to be some dislocation.

It is expected that further diversification will take place in the fisheries and that production of frozen fish will be accelerated if markets are available. The demand for salt cod may very well be higher than has been the case previously, since markets such as Greece and Italy will again be active.

The full effects of the rehabilitation program will be experienced in 1946. As no new productive industries of any size have been added, difficulty may arise in absorbing returned personnel in gainful employment other than fishing and woods operations. General trading conditions should continue at a satisfactory, if somewhat lower, level than was the case in 1945.

FARM IMPLEMENT PRODUCTION IN SOUTH AFRICA

There has been a great expansion of the farm implement manufacturing industry in recent years and the Union is now producing certain types in sufficient quantity to meet all normal local needs. During the war, roughly 1,000,000 ploughshares and some 200,000 other implements of South African manufacture were supplied to farmers and production tonnage per annum at the great iron and steel works at Vereeniging, Transvaal, has risen from 1,680 tons to 7,500 tons in the last four years. At Vereeniging, no mowers, harvesters or tractors are being produced as the industry is concentrating chiefly on tilling implements.

—From *The British Export Gazette*.

TRADE OF JAMAICA, JANUARY-SEPTEMBER, 1945

By M. B. PALMER, *Canadian Trade Commissioner at Kingston*

Imports

Official statistics of Jamaica's trade during the first nine months of 1945, recently released, show an increase in the total c.i.f. value of imports from £6,216,110 to £6,864,322 (made up chiefly by an increase of imports from Canada), a noteworthy improvement in the United Kingdom position, and a slight increase in the value of goods from "other foreign countries". Imports from the United States were slightly reduced. Comparative c.i.f. values for the 1945 and 1944 periods are shown in Table 1.

quantity, from 1,503,000 pounds to 3,303,000 pounds, Newfoundland's contribution remaining at 8,000,000 pounds. Imports of canned meats from Canada increased from 134,000 pounds to 244,000 pounds, those from the United States decreased from 142,000 pounds to 60,000 pounds, and those from Argentina were reduced from 75,000 to 55,000 pounds. On the other hand, wet salted meats from Canada dropped from 2½ million to 1½ million pounds; condensed milk from Canada increased from 2,300,000 pounds to 3,761,000 pounds, an over-all improvement at the expense of no other source.

TABLE 1

Imports into Jamaica by Principal Countries

	Jan.-Sept., 1945		Jan.-Sept., 1944	
	£	Per Cent	£	Per Cent
Total imports	6,864,322	100.0	6,216,110	100.0
British countries	4,400,462	64.1	3,721,949	59.9
United Kingdom	977,910	14.2	817,127	13.1
Canada	2,901,050	42.3	2,419,046	38.9
Australia	261	....	....	....
India	6,522	0.1	51,899	0.8
Newfoundland	336,229	4.9	327,371	5.3
Trinidad	113,878	1.7	16,437	0.3
Other British countries	64,612	0.9	90,069	1.5
Foreign countries	2,378,275	34.6	2,441,768	39.3
United States	1,989,988	29.0	2,046,434	32.9
Dutch West Indies	166,742	2.4	205,836	3.3
Other foreign countries	221,545	3.2	189,498	3.1
Parcel post	85,585	1.3	52,393	0.8

The itemized figures do not show any particularly outstanding change in the trade position. However, a few of the more important features are referred to in this report, which should be read in conjunction with that on economic and trade conditions in Jamaica, published in *Commercial Intelligence Journal* No. 2187 (December 29, 1945) and No. 2188 (January 5, 1946). Imports of rice from the United States fell from nearly 7,000,000 pounds in the January-September period of 1944 to 10,000 pounds in the corresponding nine months of 1945, and the difference does not appear to have been made up from any other source. Arrivals of corn from that country doubled to 240,000 pounds. Receipts of dried salted fish from Canada more than doubled in

White pine lumber from Canada increased by over 1,000,000 feet to 2,941,000 feet, while receipts from the United States decreased from 3½ million feet to 888,000 feet.

Hosiery of all kinds from the United Kingdom showed a substantial increase, from 2,500 pairs to 216,000 pairs, while imports from Canada were almost halved to 149,000 pairs, and those from the United States decreased from 118,000 pairs to 2,500 pairs.

Total imports of leather boots and shoes declined from 60,000 dozen pairs during the 1944 period to 13,500 dozen pairs in the same months of 1945, those from Canada being halved to 4,160 dozen pairs, and those from the United

States dropping to 8,500 dozen pairs from over 46,000.

The import value of car and truck parts and accessories from Canada doubled to £18,500, and for receipts from the Netherlands it increased by 60 per cent to £17,000; the number of trucks from Canada increased from 34 to 84 and from the United States from 1 to 8.

Portland cement shipments from the United Kingdom improved from 131,000 barrels (of 375 pounds each) to 200,000 barrels, while Canada supplied 21,000 barrels in the 1945 period as against none in the same period of 1944.

The United Kingdom supplied 3,177,000 yards of cotton piece-goods, a decrease of more than 600,000 yards from the 1944 figure, while the United States greatly increased its share of the imports, from 3,000,000 to 11,000,000 yards; Canada's share advanced from 78,000 yards to 174,000 yards.

The value of imports of "paper of all kinds" from Canada increased by about £40,000 to £164,000, and for those from the United Kingdom the value doubled to £37,000. A heavy increase is recorded for imports of artificial silk piece-goods, yardage from the United Kingdom increasing from 562,000 to 1,096,000, and from the United States from 119,000 to 1,106,000; Canada maintained her share at around 68,000 yards in each period. Total imports of woollen piece-goods more than doubled, the United Kingdom supplying 56,000 yards as against 31,000 in the 1944 period, and the United States 15,000 yards as against none. Arrivals of toilet soap from Canada increased from 187,000 pounds to 296,000 pounds,

and from the United States from 19,000 pounds to 36,000 pounds, while other kinds of soap (except laundry) from the Dominion showed an increase from 57,000 pounds to 99,000 pounds; receipts from the United States were reduced from 229,000 pounds to 118,000 pounds.

Exports

Jamaica's exports also showed a moderate increase as between the January-September periods of 1945 and 1944, there being an outstanding increase in the United Kingdom's purchases of Jamaican products, while shipments to both Canada and the United States dropped appreciably. A summary of exports by principal countries is shown in Table 2.

The principal products accounting for the higher value of exports to the United Kingdom in the 1945 period were raw coffee, dye-wood extracts, fruit juices, ginger, pimento, rum, sugar and cigars. However, British purchases of citrus pulp were little more than 25 per cent of the 1944 figure, owing to a much smaller quantity being available for export. Canada purchased greater quantities of annatto, grapefruit, fruit juices, rum and cigars, but much less citrus pulp, cocoa, ginger, pimento and sugar. Among items exported to the United States, decreases were recorded chiefly for annatto, rum, sugar and cigars, slight increases being shown in the shipments of fruit juices and ginger.

Whereas during the 1944 period approximately 20,000,000 coconuts were exported from Jamaica, less than 2,000 were shipped in 1945, because of the damage caused by the hurricane in August, 1944.

TABLE 2
Exports from Jamaica by Principal Countries

	Jan.-Sept., 1945		Jan.-Sept., 1944	
	£	Per Cent	£	Per Cent
Total	3,693,503	100.0	3,577,870	100.0
British countries	3,028,180	82.0	2,681,780	75.0
United Kingdom	1,662,800	45.0	742,806	20.8
Canada	1,213,720	32.9	1,716,305	48.0
Other British countries	151,660	4.1	222,669	6.2
Foreign countries	511,604	13.9	771,437	21.6
United States	456,217	12.4	708,679	19.8
Panama	29,969	0.8	14,495	0.4
Other foreign countries	25,418	0.7	48,263	1.4
Parcel post	30,491	0.8	24,899	0.7
Re-exports	123,228	3.3	99,754	2.7

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); and Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela. Their itineraries as presently arranged are as follows:—

Mr. Palmer

Montreal—Feb. 11 to 18.

Mr. Bissett

Montreal—Feb. 11 to 23.

Ottawa—Feb. 25 to 27.

Mr. MacDonald

Toronto—Feb. 11 to 23.

Ottawa—Feb. 25 to 27.

Montreal—Feb. 28 to Mar. 6.

Ottawa—Mar. 7 to 12.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for Montreal, with the Montreal Board of Trade.

Agricultural Trade Commissioner Appointed

Appointment of Lieut.-Col. J. H. Tremblay as Agricultural Trade Commissioner was announced on February 1 by the Honourable James A. MacKinnon, Minister of Trade and Commerce.

Born at Chicoutimi, Quebec, Colonel Tremblay graduated with a degree in agriculture from Laval University. From 1920 to 1930, he was with the Dominion Experimental Farms Branch as supervisor of Illustration Stations,

while from 1930 to 1936 he was bilingual district agriculturist for the Department of Agriculture in Alberta.

Enlisting in the Canadian Army in 1939, Colonel Tremblay for the last two years of the war was with Supreme Headquarters Allied Expeditionary Force. He retired from the army in October, 1945.

At present, Colonel Tremblay is on a tour of Canada, preparatory to being assigned abroad at a later date.

ECONOMIC, TRADE AND PRODUCTION NOTES

Brazil

SUPPLY OF AGRICULTURAL TRACTORS

A decree law has been passed by the Brazilian Government authorizing the Ministry of Agriculture to contract with the Fabrica Nacional de Motores (The National Motor Factory) for the supply of 10,000 agricultural tractors over the next four to five years, writes Mr. Maurice Bélanger, Commercial Secretary at Rio de Janeiro. The Ministry of Finance is to provide the necessary credit facilities.

While preliminary operations will be concerned with the assembly of tractors, parts will be made progressively, starting with the simpler kind. It is hoped that at least the last thousand tractors will be manufactured entirely in Brazil.

The type of tractor to be made will be the subject of studies made jointly by the Ministry of Agriculture and the Fabrica Nacional de Motores. Designs will be examined with a view to entering into a licensing agreement with the

patentees of the approved type of tractor.

The undertaking will enjoy exemption from customs and import taxes and export restrictions, and for a period of ten years will be free from all taxation.

British Guiana

EXPORTS AND IMPORTS, JANUARY- OCTOBER, 1945

Exports of domestic produce from British Guiana during the ten months ending October last were valued at \$16,907,060 as compared with \$19,699,279 in the corresponding period of 1944. Imports for the ten months were also lower at \$17,363,352 as compared with \$19,388,972, according to official returns.

In contrast with the decline in total value of exports, shipments to Canada were valued at \$6,690,901 as against \$6,499,007 in the 1944 period. Values of exports to other destination were: United Kingdom, \$4,782,514 (\$5,072,130 in January-October, 1944); other British possessions, \$2,731,698 (\$2,842,243); United States, \$804,288 (\$608,166); other foreign countries, \$1,897,659 (\$4,677,733).

Of the principal export commodities, shipments of bauxite declined to \$3,319,542 (683,120 tons) from \$5,167,678 (836,143 tons) and of sugar to \$7,485,386 (103,100 tons) from \$8,922,377 (145,801 tons); while rice shipments rose in value to \$2,158,853 from \$2,054,450 and those of rum to \$2,006,863 from \$1,407,752.

Imports from Canada in the period were valued at \$7,495,142; from the United Kingdom at \$3,593,735; other British possessions, \$1,445,981; foreign countries (including the United States), \$4,828,494.

Values of leading imports from Canada were: flour, \$2,054,617; cotton piece-goods, \$476,007; dried codfish, \$267,417; apparel, \$223,672; boots and shoes, \$258,153; butter, \$197,173; condensed milk, \$530,466; split peas, \$243,432; potatoes, \$279,908; machinery (all kinds), \$221,968.

India

BICYCLE MARKET

An Indian trade spokesman recently estimated that India would require at least 1,000,000 bicycles yearly to meet domestic consumption in post-war years, according to a British publication. The joint capacity of two bicycle factories in India does not exceed 100,000 cycles, and he stated that it is considered in Indian trade circles that there is scope for several other factories.

IMPORT CONTROL

There have been few recent changes of importance in the Indian Government's system of import control. A considerable range of goods may be imported freely from the United Kingdom, but are subject to licensing restrictions when imported from other sterling countries. The regulations applying to Canadian imports have undergone no alteration, although there appears to be some relaxation in the issue of special licences for goods which are in short supply both for industrial uses and for civilian consumption.

A certain volume of trade is being resumed with Denmark, Norway and Sweden in paper and various other goods which have normally been imported from these countries and which are in keen demand throughout the local market.

SHIPBUILDING

The construction of several ocean-going cargo vessels for use in India's coasting trade is shortly to be undertaken at a shipyard at Vizagapatam. No such vessels have hitherto been built in India, construction having been restricted largely to trawlers, minesweepers and similar naval craft. It is believed, however, that technical staff and shipyard facilities are adequate to permit the building of larger vessels and the project is expected to be under way shortly. Preliminary estimates of the cost of an 8,000-ton freighter place the figure at Rs.3,000,000.

New Zealand

MANUFACTURE OF HOUSEHOLD ELECTRIC APPLIANCES

The Minister of Housing, in an address to the Labour Party Conference, stated that the scheme for the mass production of electric refrigerators and washing machines is well advanced. It is expected that in a relatively short time the production methods to be adopted will substantially reduce costs and thus permit of installations in state rental houses.

The proposed equipment is to be a double unit, which will fit into existing sink and cupboard recesses in state houses. It is claimed that the provision of washing machines will do away with the wash houses, which may, if desired, be converted into additional rooms.

These appliances will not be confined to state houses but will ultimately be on sale to the public.

At present there are several private manufacturers producing a limited number of washing machines and refrigerators. Raw materials and one or two components required to be imported, such as motors, and certain switching gear, are still in short supply. Production on the scale contemplated by the Minister is therefore some way off yet.

The local production of other electric appliances, including toasters, irons, kettles and heaters, is progressing well and is on a scale sufficient for minimum needs.

South Africa

PRODUCTION OF FISH MEAL AND OIL

The Fisheries Development Corporation of South Africa Limited is to form a new company to produce oil and meal at Stumpnose Bay (just north of Saldanha Bay) from pilchards, according to a report in the *Cape Argus* in late November. The report stated that orders had already been placed in the United States for the necessary plant and that work on the building was to be started as soon as possible. The company is to be financed jointly by

the Corporation and four canning companies, each of which will hold a fifth share.

It was announced at the same time that there is a further plan for another company with headquarters at Hant Bay near Cape Town to produce fish-liver oil, frozen crawfish tails and smoked fish.

According to another South African press report, a Cape Town firm handling marine products has purchased in the United States a complete plant for the production of fish meal and oil from pilchards caught in South African waters. The plant, it is stated, will be capable of processing ten tons of fish per hour.

Sweden

TRADE AGREEMENTS WITH NORWAY AND ITALY

A trade agreement between Norway and Sweden, to remain in force during 1946, was recently signed in Oslo. Under its terms, Sweden will export to Norway iron and steel, ball bearings, machinery, seeds, chemical and pharmaceutical products, while Norway will ship to Sweden, among other commodities, nitrate of lime, sulphur, copper and salted herring.

A trade and payments agreement has also been signed between Sweden and Italy providing for an exchange of goods valued at about \$12.5 millions in both directions. Swedish shipments will comprise rayon and paper pulp, paper, iron, steel and machinery, while Italy will deliver oranges, lemons, wine, salt and some textile goods.

United Kingdom

WHOLESALE PRICES

Wholesale prices in December, as measured by the Board of Trade index number, fell by 0.2 per cent from the November level, the average prices of food and industrial materials declining by 0.2 and 0.1 per cent respectively. Since August, 1939, the aggregate increases have been: all articles, 72 per cent; food and tobacco, 75 per cent; industrial materials and manufactures, 71 per cent.

WARTIME LUMBER OUTPUT

Production of sawn hardwood, sawn softwood, sawn mining timber and round mining timber in Great Britain and Ireland during the period September, 1939, to June, 1945, was as follows: sawn hardwood, 234,400,000 cubic feet; sawn softwoods, 238,400,000; sawn mining timber, 101,600,000; and round mining timber, 273,700,000 cubic feet. Of the sawn hardwoods

total, England and Wales produced 214,400,000 cubic feet and Scotland 16,500,000 cubic feet; sawn softwoods, England and Wales, 114,100,000, and Scotland, 119,600,000 cubic feet; sawn mining timber, 42,500,000 and 59,100,000 cubic feet; and round mining timber, 179,600,000 and 92,400,000 cubic feet, respectively. In addition to the foregoing, large quantities of telegraph poles, pickets, pulpwood, cordwood and firewood were produced.

CANADA'S EXPORT TRADE IN 1945

According to figures released by the Dominion Bureau of Statistics, the external trade of Canada, excluding gold, was valued at \$4,853,199,000 for the calendar year 1945, a decline of 7.4 per cent from the historical peak reached in 1944. The balance of trade was in Canada's favour to the extent of \$1,681,649,000 as compared with a favourable balance of \$1,724,200,000 for the preceding year.

Exports

The merchandise export trade of the Dominion during 1945 was valued at \$3,218,330,000 as compared with \$3,439,953,000 in 1944, a reduction of 6.4 per cent. The decrease was due to the sharp falling-off in the export movement of war materials, the value of goods in this category amounting to \$1,161,096,000, a decline of 25.3 per cent. Non-war exports, on the other hand, advanced by 9.1 per cent to \$2,057,234,000.

Imports

Canada's merchandise imports in the calendar year 1945 were valued at \$1,585,775,000 as compared with \$1,758,898,000 for the preceding year, a decrease of 9.8 per cent. The decrease was accounted for mainly by lower imports of war materials and equipment.

Imports from the United States—the principal source of supply—were valued at \$1,202,418,000 as against \$1,447,-

226,000 in 1944, a decline of 16.9 per cent. The value of imports from the United Kingdom totalled \$140,517,000 as compared with \$110,599,000 for the preceding year, an increase of 27.1 per cent.

Imports from British India in 1945 were valued at \$30,568,000 (\$27,878,000 in 1944); Venezuela, \$17,267,000 (\$13,826,000); Australia, \$17,180,000 (\$12,540,000); Newfoundland, \$16,600,000 (\$9,306,000); Mexico, \$13,508,000 (\$13,119,000); Colombia, \$11,678,000 (\$13,782,000); British Guiana, \$9,338,000 (\$7,225,000); Jamaica, \$9,273,000 (\$12,624,000); British South Africa, \$8,433,000 (\$5,551,000); and Honduras, \$8,016,000 (\$1,349,000).

Four of the nine main groups of commodity imports recorded advances in 1945 over 1944, while the remaining five showed declines. Imports of agricultural products rose from \$212,655,000 in 1944 to \$235,558,000; animals and animal products, from \$36,379,000 to \$46,625,000; fibres and textiles, from \$190,575,000 to \$196,761,000; wood and paper, from \$43,636,000 to \$49,761,000. Iron and its products fell from \$428,361,000 to \$384,460,000; non-ferrous metals and products, from \$106,651,000 to \$99,120,000; non-metallic minerals and products, from \$271,014,000 to \$265,405,000; chemicals and allied products, from \$80,843,000 to \$79,759,000; and miscellaneous commodities, from \$388,786,000 to \$228,327,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's

imports (excluding gold) by principal countries and commodities for the month of December and the twelve months ended December, 1944 and 1945:—

Imports by Principal Countries

	Month of December		Twelve Months ended December	
	1944	1945	1944	1945
All countries	\$ 127,216,563	\$ 121,191,673	\$1,758,898,197	\$1,585,775,142
British Empire	16,804,642	21,176,032	220,353,906	271,668,462
United Kingdom	9,395,076	14,854,769	110,598,584	140,517,448
Ireland (Eire) .....	.....	1,919	3,061	8,949
Aden .....	.....	.....	3,340	1,790
British East Africa	53,782	28,267	1,080,476	1,538,813
British South Africa	865,517	1,052,412	5,551,060	8,433,239
Southern Rhodesia	52572	11,410	355,747	541,511
British West Africa	91,776	207,077	4,160,612	9,798,007
Bermuda	2,240	20	490,195	93,979
British India	1,076,166	867,564	27,878,428	30,567,646
Ceylon .....	.....	187	4,262,041	5,682,509
British Guiana	230,988	101,593	7,225,327	9,338,050
British Honduras	184,580	.....	455,506	449,949
British Sudan	326	2,606	34,030	67,465
Barbados	477,838	78,001	8,207,291	5,466,019
Jamaica	529,744	1,164,840	12,623,908	9,273,433
Trinidad and Tobago	15,815	75,251	979,222	3,100,801
Other British West Indies ..	89,080	153,070	1,147,029	856,673
Falkland Islands	196	.....	243,453	424,458
Malta	1,954	3,153	2,522	21,340
Newfoundland	505,368	1,151,736	9,306,436	16,599,575
Australia	1,725,828	490,968	12,539,796	17,179,660
Fiji	635,528	.....	3,627,732	1,607,300
New Zealand	824,726	886,382	8,744,370	9,275,764
Palestine	45,542	44,807	604,782	414,710
Foreign countries	110,411,921	100,015,641	1,538,544,291	1,314,106,680
Afghanistan	17,209	959,935	57,863	2,078,855
Argentina	692,292	355,244	9,563,674	7,333,108
Belgium .....	.....	109,793	.....	379,851
Belgian Congo .....	.....	169,116	791,700	333,313
Bolivia .....	.....	.....	13,884	25,428
Brazil	333,365	695,263	7,223,879	7,600,758
Chile	27,108	27,546	723,000	561,563
China .....	.....	.....	1,892	239
Colombia	991,941	996,290	13,782,108	11,678,076
Costa Rica	33,019	3,560	1,360,831	593,755
Cuba	168,330	922,771	4,229,398	7,511,912
Ecuador	5,469	5,228	565,513	1,964,479
Egypt	9,716	18,217	179,356	213,394
France	920	107,899	8,971	273,190
French West Indies .....	.....	.....	87,452	94,067
Guatemala	35,302	132,468	2,692,928	1,778,955
Hayti (Republic of)	21,870	9,799	2,097,021	513,722
Honduras	230,821	534,143	1,348,800	8,015,664
Mexico	1,217,540	1,136,974	13,119,399	13,508,165
Netherlands	3,946	39,410	51,021	401,232
Netherlands Guiana	11,294	.....	1,109,282	.....
Netherlands West Indies ..	.....	.....	508,016	830,350
Norway .....	.....	5,097	.....	640,975
Panama .....	.....	.....	5,671	33,698
Paraguay .....	.....	27,495	208,133	241,148
Persia .....	.....	62,140	26,876	405,511
Peru	1,824	529	94,549	148,588
Portugal	126,163	181,656	1,308,014	1,657,586
Russia (U.S.S.R.)	156	121,885	16,188	1,747,448
Salvador	61,436	256	2,561,457	1,502,191
San Domingo	751,117	445,660	4,961,660	6,200,829
Spain	570,999	662,005	3,024,203	4,353,475
Sweden .....	.....	157,618	24,414	1,092,519
Switzerland	893,606	701,056	4,766,023	7,862,889
Syria	3,846	1,676	29,680	19,381
Turkey .....	.....	50,650	2,330	276,993
United States	102,944,623	89,914,335	1,447,225,915	1,202,417,634
Uruguay	5,621	4,135	248,468	95,360
Venezuela	1,225,385	1,248,323	13,826,241	17,267,303

Imports by Principal Commodities

	Month of December 1944	1945	Twelve months ended December 1944	1945
	Thousands of Dollars			
Total imports	127,217	121,192	1,758,898	1,585,775
Agricultural and vegetable products	16,026	23,107	212,655	235,558
Fruits	5,619	6,676	61,887	71,489
Fruits, fresh	4,401	6,305	50,212	61,338
Nuts	1,988	2,775	13,458	14,322
Vegetables	996	4,107	15,048	22,032
Vegetables, fresh	965	4,031	14,570	21,252
Grains and products	930	1,915	12,378	12,507
Sugar and products	2,443	1,847	31,774	32,104
Sugar	2,343	1,485	29,230	28,950
Cocoa and chocolate	25	18	3,695	3,891
Coffee and chicory	327	981	14,238	9,156
Tea .....	....	537	13,092	17,729
Beverages, alcoholic	614	1,346	5,512	8,292
Beverages, distilled	560	1,028	4,787	6,898
Gums and resins	465	209	3,567	3,904
Oils, vegetable, not edible	729	585	9,948	10,836
Rubber	788	696	14,659	15,098
Rubber, crude	35	89	6,531	6,872
Seeds	224	150	1,665	1,621
Tobacco	165	301	1,716	2,597
Animals and animal products	3,843	5,151	36,379	46,625
Animals, living	84	64	1,310	1,581
Fish and fishery products, n.o.p.	147	308	2,844	3,108
Fish, fresh and frozen	75	235	2,037	2,455
Furs	1,728	3,054	11,434	21,205
Undressed furs	1,407	2,473	8,903	15,755
Hair and bristles	286	32	1,442	1,648
Hides and skins, raw	271	273	4,498	3,059
Leather, unmanufactured	255	281	2,976	3,510
Leather, manufactured	287	275	2,736	3,053
Animal oils, fats, greases and wax....	149	497	2,676	3,801
Animal products, other	328	192	3,364	3,836
Fibres, textiles and textile products.....	16,107	17,262	190,575	196,761
Cotton	8,661	9,200	92,583	89,405
Raw, and linters	4,562	4,961	41,587	40,195
Fabrics	2,869	2,582	37,242	34,944
Flax, hemp and jute	1,310	577	18,352	17,829
Yarn	109	107	1,328	1,639
Fabrics, jute	851	1	11,891	11,039
Silk	91	159	1,510	2,089
Fabrics	85	153	1,454	2,043
Wool	2,685	4,070	37,362	43,719
Raw wool	681	695	11,326	12,327
Noils and tops	346	578	5,921	6,736
Yarn	421	172	3,778	6,109
Worsted and serges	628	950	7,797	8,212
Fabrics, other	508	651	6,936	5,982
Artificial silk	1,525	1,474	17,066	20,849
Yarn, twist and thread	915	707	10,200	11,951
Fabrics	582	708	6,559	8,410
Fibres and textiles, other	753	700	8,273	7,536
Mixed textile products	1,082	1,081	15,429	15,335
Wood, wood products and paper	3,501	4,267	43,636	49,761
Wood, unmanufactured	390	420	6,157	6,457
Planks and boards	247	281	3,161	4,203
Wood, manufactured	650	634	7,092	8,483
Paper	967	1,202	12,157	13,376
Books and printed matter	1,493	2,011	18,230	21,445
Iron and its products	29,760	26,777	428,361	384,460
Iron ore	306	94	7,394	8,596
Pigs, ingots, blooms, billets	170	146	2,176	3,066
Castings and forgings	823	527	7,383	8,186
Rolling-mill products	4,016	4,110	51,399	55,049
Pipes, tubes and fittings.....	522	462	5,682	5,641
Wire	239	349	3,022	4,315
Chains	191	139	2,562	1,886
Engines and boilers	3,627	1,824	63,159	28,040
Farm implements and machinery	2,872	3,950	40,611	50,435
Hardware and cutlery	340	448	4,197	4,673
Machinery (except agricultural)	4,962	7,206	78,551	92,784
Stamped and coated products	137	175	1,676	2,082

	Month of December		Twelve months ended December	
	1944	1945	1944	1945
	Thousands of Dollars			
Tools	513	655	8,603	7,945
Vehicles, chiefly of iron	7,611	3,822	96,273	77,111
Automobiles, freight	189	69	8,097	1,940
Automobiles, passenger	356	224	2,668	2,937
Automobile parts	6,670	3,237	80,321	67,855
Non-ferrous metals and their products.....	7,268	5,814	106,651	99,120
Aluminium	321	484	12,864	9,611
Brass	278	368	7,249	4,470
Copper	50	132	642	1,186
Nickel	69	148	919	1,481
Precious metals, except gold	97	311	1,253	5,281
Tin	863	91	2,178	5,122
Clocks and watches	954	617	5,207	7,333
Electrical apparatus	3,364	2,860	57,859	43,052
Radio and wireless apparatus	1,629	710	33,434	15,635
Non-ferrous metals, other	1,078	475	14,924	17,890
Non-metallic minerals and their products.....	18,159	20,630	271,014	265,405
Asbestos	135	189	1,978	2,214
Clay and products	1,066	1,436	12,637	13,681
Coal and products	8,210	9,488	123,065	115,194
Coal	7,678	8,343	113,138	102,432
Coke	516	936	9,631	11,369
Glass and glassware	1,177	1,319	13,960	16,098
Petroleum products	6,002	6,414	97,937	95,056
Stone and products	729	613	10,609	9,888
Non-metallic minerals, other	804	1,113	10,206	12,579
Chemicals and allied products	5,881	6,635	80,843	79,759
Acids	376	258	3,288	3,303
Cellulose products	407	445	4,926	5,330
Drugs and medicines	697	682	7,645	9,440
Dyeing and tanning materials	555	832	7,032	8,297
Fertilizers	302	344	4,251	3,707
Paints and varnishes	557	723	7,465	8,660
Inorganic chemicals, n.o.p.	672	990	11,952	11,270
Soda and compounds	258	330	4,592	3,698
Chemical products, other	2,073	2,169	27,583	27,714
Miscellaneous commodities	26,671	11,549	388,786	228,327
Amusement and sporting goods	241	372	2,219	3,043
Containers, n.o.p.	127	186	1,613	1,622
Household and personal equipment, n.o.p....	694	1,063	5,829	8,431
Scientific and educational equipment.....	579	705	8,451	9,216
Ships and vessels	53	4	656	3,320
Vehicles, except iron	5,072	274	65,418	16,440
Aircraft (excluding engines)	5,051	233	65,129	16,001
Paintings and other works of art	82	230	1,014	1,164
Miscellaneous commodities, other	19,747	8,557	302,821	183,742

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Export Permit Branch Order No. 136, effective February 2, 1946, the Export Permit Regulations are amended as follows:

1. The various exemptions previously established for the respective items listed hereunder are cancelled, so that an export permit will be required for all shipments of these commodities, except as otherwise provided, when consigned to any destination:

Group 5—Iron and Steel (Including Alloy Steel) and Their Products

Iron and steel: scrap iron or steel of all kinds; ingots; castings and forgings.

Rolling-mill products: bands, bars, including rails; hoop; piling; plates, coated or not; rods; sheets, coated or not; steel, alloy (including stainless); strips; all other rolling-mill products, including structurals, tie plates and track material, tin mill black plate, tin plate and terns plate.

Agricultural implements and machinery.

Agricultural implement and machinery parts, over \$25 in value.

Automobiles, passenger, chassis and engines therefor.

Replacement parts and accessories for passenger automobiles, chassis and engines.

Axes.
 Ball and roller bearings and parts for machines.
 Bicycles.
 Bicycle parts and accessories.
 Bottle closures.
 Chains.
 Cutlery.
 Dairy equipment and parts.
 Electrical machinery, apparatus and parts, and electrical appliances, including electric ranges over 25 amps., irons, radios, refrigerators, toasters, vacuum cleaners, washing-machines.
 Enamel ware of iron or steel.
 Engines, Diesel and semi-Diesel: marine, stationary and portable.
 Parts for engines, Diesel and semi-Diesel: marine, stationary and portable.
 Engines, internal combustion, n.o.p.
 Parts for engines, internal combustion, n.o.p.
 Engines, steam.
 Equipment for the production of tetra-ethyl lead, aviation gasoline and aviation lubricating oil.
 Excavating and power shovels.
 Excavating and power shovel parts.
 Fasteners, dome, snap, zipper, or other.
 Furniture of metal.
 Hacksaw blades, hand and power.
 Hand tools and agricultural tools.
 Hardware, builders', furniture and cabinet-makers'.
 Hardware, saddlery and harness.
 Hollow-ware, flatware, utensils and containers, of iron or steel, coated or not.
 Household machinery and parts.
 Lamps and lanterns.
 Lavatories, sinks and other plumbing fixtures.
 Lawn-mowers.
 Metal drums and similar containers, unfilled, new or used.
 Motorcycles.
 Motorcycle parts and accessories.
 Motorgraders.
 Motor trucks and buses, chassis and engines therefor.
 Replacement parts and accessories for motor trucks and buses, chassis and engines.
 Nails and staples.
 Needles.
 Office and store furniture, fixtures and parts.
 Office machinery and appliances, and parts therefor.
 Railway rolling-stock, railway equipment and parts, complete or unassembled.
 Safes and vaults, and equipment and parts therefor.
 Scales, balances and weights.
 Shingles, laths and corrugated roofing, metallic.
 Skates.
 Springs, furniture, including mattress springs.
 Steel wool.
 Storage tanks.
 Stoves and heating apparatus of all kinds.

Structural iron or steel, fabricated.
 Tinplate containers, finished or unfinished.
 Tractors, including equipment.
 Valves and parts.
 Welding rods and welding wire.
 Wheelbarrows.
 Wire, coated or not, plain or stranded, including wire rope or wire fencing, and wire, n.o.p.
 Wire cloth and wire manufactures, n.o.p.

2. The following items are reinstated in the Schedule of Commodities under export control, so that an export permit will be required for all shipments thereof, except as otherwise provided, when consigned to any destination:

Group 5—Iron and Steel (Including Alloy Steel) and Their Products

Iron and steel: iron ore and concentrates; ferro-alloys.
 Automobile tire-service equipment and parts.
 Blanks for tool bits.
 Bolts, nuts, screws, rivets and washers.
 Cranes.
 Derricks.
 Dredging machinery.
 Dredging machinery parts.
 Electrical conduit.
 Elevators, freight and passenger, and parts therefor.
 Fence posts.
 Flax machines of all kinds.
 Hoists.
 Laundry and dry cleaning equipment and parts.
 Machinery and parts, n.o.p. over \$25 in value.
 Metal and wood-working machine tools and machinery, other manufacturing machinery and parts, including: drilling and boring machines (horizontal and vertical); grinding machines; lathes; melting or casting furnaces and machines; milling machines; planers; presses (hydraulic and mechanical); reamers; shapers and slotters; bits and drills of all descriptions; broaching machines; die machines; dies; draw benches; engraving machines; forging machines; gear cutters; hobs; honing machines; jigs; jig-boring machines; lapping machines; milling cutters; machine tools, portable or non-portable; machine-tool fixtures; rolling-mill machinery; stamping machines; taps; thread millers tools incorporating industrial diamonds; welding sets; wire-drawing machines; used or rebuilt machine tools of any description.
 Oil well-drilling machinery and parts, including petroleum and gas-well equipment and parts.
 Petroleum refining machinery, equipment and parts.
 Plastic moulding machines and presses.
 Precision instruments: gauges; balancing machines; testing machines; measuring machines.
 Pumps, hydraulic, except for domestic use.

Trinidad

IMPORT LICENSING SYSTEM CHANGED FOR NON-FOODSTUFFS

Mr. T. G. Major, Canadian Trade Commissioner at Port of Spain, writes under date January 26 that the Controller of Imports and Exports in Trinidad announced on January 25 a change in the system of issuing import licences for commodities other than foodstuffs.

During the war years, when allocations were limited, it was deemed desirable to restrict the issuance of import licences to importers who were in business during the base period. In view of the removal of many commodities from export control or the abolition of country allocations, a continuation of such a system would perpetuate the existence of a closed circle of importers and might well result in the Colony not obtaining its full share of supplies.

In future all import licences on sources outside the sterling area will be issued in the first instance with an expiry date of three months. On condition that an importer produces evidence of confirmation by the supplier of the goods included in the licence, and of the ability of such supplier to deliver the goods within a specified period, the licence may be extended for a further period. For the purpose of confirming indents, a commission agent will not be regarded as a supplier. The confirmation must come from the manufacturer or other person actually in possession of the goods.

Any licence in respect of which confirmation is not produced will automatically expire at the end of three months from the date of issue, and any other person or firm producing evidence of ability to obtain goods will be eligible to obtain a licence for such goods within the over-all assessed requirements of the Colony. Individual import quotas already established will continue to be used as a guide for the granting of licences, but other firms will be issued licences within the total assessed requirements.

This change in method does not imply any increase in the volume of imports from non-sterling areas. The colonial authorities have determined the essential requirements both in

regard to types of commodities and volume, and these will be adhered to until such time as conditions permit of the relaxation of exchange controls. The change should have the effect of ensuring that the full import quota from Canada is obtained and constitutes a moderate step towards the return of freedom of trade practices.

Mexico

DUTIES INCREASED

Mr. D. S. Cole, Commercial Counsellor, Canadian Embassy, Mexico, writes that, under a Mexican decree of January 3, 1946, duties have been increased by 100 per cent on a long list of products, mainly in the luxury class. The increases affect goods under the following general classifications, although not all items under each class are involved: rubber clothing; fur manufactures; leather manufactures; cotton manufactures; wool carpets; wool clothing; wool manufactures; artificial silk clothing; art silk manufactures; felt manufactures; textile products; furniture of wood; manufactures of wood; cutlery; platinum, etc., in concentrates; silver manufactures; zinc manufactures; batteries; dynamos generators and motors; electric heating and cooking devices; spark plugs and ignition; electrical apparatus; metals manufactured; non-potable spirits; toys; jewellery of all kinds; pens, pencils and parts. Details of the changes are on file in the Department of Trade and Commerce.

Brazil

IMPORT LICENSING REQUIREMENT CANCELLED

Mr. Maurice Bélanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, writes under date January 6 that a decree has been issued cancelling the requirement that importers in Brazil obtain the licences that have been required during the past year for a wide range of products, pending the working out of a new list of products to replace the present list. An exception is made with regard to rubber products, which continue to require import licences.

Peru

COMMITTEE FOR REGULATION OF FOREIGN TRADE AUTHORIZED

Mr. C. J. Van Tighem, Assistant Commercial Secretary, Canadian Embassy at Lima, writes that a Peruvian decree of November 6, 1945, authorizes the formation of a committee for the regulation of foreign trade. Former separate committees governing imports, exports and exchange are combined to form a single committee. Following is a summary of the main points of the decree:

1. The Committee will be formed by the Minister of Finance, as President, by a functionary of the same Ministry, the Superintendent of Banks, the Manager of the Central Reserve Bank, and the Chief of the Department of Imports. This Committee replaces the earlier separate committees of imports, exports and exchange.

2. The new Committee will formulate the rules for the guidance of the different departments concerned with the issue of permits.

3. The measures in the first instance affecting imports will be dealt with by the Department of Imports; of exports, by the Custom House Department of the Director-General of Finance; and of exchange, by the

Superintendent of Banks, all of whom will grant or refuse licences as they may deem proper. In case of a refusal, appeal may be made to the Committee of Regulation.

4. Licences for imports will be considered on the basis of the utility of the article, its existence or production within the country, its price, and the availability of exchange. The procedure for obtaining licences, information regarding quotas, prohibitions affecting certain articles, and other guiding information for the assistance of importers will be made public through the press.

5. Licences for exports will be considered having regard to compliance with special orders affecting the export of articles required for national consumption and also requiring proof of sale of the funds (or bonded promise of their sale) to the Central Reserve Bank or a commercial bank.

6. Licences for the purchase of exchange will be considered in relation to the justification of the request and the amount of funds available.

7. Exporters requiring exchange to pay for their imports cannot use exchange accruing from their exports for that purpose, but each operation must be independent.

POSTAL SERVICES AND RATES

Following is a summary of recent notices issued by the Post Office Department regarding postal services and rates from Canada likely to be of interest to exporters:—

CANADA AIR LETTERS

The rate on Canada Air Letters has been set at 15 cents to all countries to which the service operates, except to the United Kingdom to which the rate of 10 cents will still apply. (The rate to members of the Armed Forces remains at 10 cents regardless of destination.) The service is in operation to upwards of sixty countries, including Australia, Ceylon, China, Egypt,

Hong Kong, India, New Zealand, South Africa and the Rhodesias.

AIR MAIL TO AUSTRALIA, NEW ZEALAND, FIJI, INDIA, CEYLON AND SOUTH AFRICA

Air mail for these countries will be routed via England, effective immediately. The rate of postage will be 50 cents for each half-ounce or fraction thereof, and the weight limit 4 pounds 6 ounces.

PARCEL POST TO THE NETHERLANDS

The direct steamship service between Canada and the Netherlands, by which such parcels were conveyed, has been suspended, and such parcels are now

being dispatched via England. In consequence, the rates of postage have been temporarily increased.

MAIL SERVICE TO THE PHILIPPINES

Application of the normal conditions of mailing has been postponed, owing to lack of facilities in the Philippines. No parcel exceeding 11 pounds in weight or more than 18 inches in length or 42 inches in length and girth com-

bined will be accepted for mailing and only one parcel per week may be sent by the same sender to the same addressee.

PARCEL POST TO HONG KONG, MALAY STATES AND STRAITS SETTLEMENTS

Parcel post service has been resumed to these destinations. Total weight of a parcel must not exceed 11 pounds, nor the value of the contents \$25.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Jan. 28	Nominal Quotations Feb. 4
Argentina	Peso	Off. .3282	.3282
		Free .2701	.2707
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica) .	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France	Franc	.0092	.0092
French North Africa.....	Franc	.0157	.0157
French Pacific.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0111	.0111
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo Fonseca 103-4°, Lisbon.

Territory includes Spain.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street, N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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BUSINESS CONDITIONS IN INDIA IN 1945

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

Throughout 1945 Indian industry and trade continued to prosper from abnormal demand, both at home and abroad, for a large number of the country's principal products. Many of the leading industries were still operating at capacity at the year's end and are likely to be for a further considerable time. There have been, of course, the usual adverse influences; but as against these there have been various evidences of the expansion of a number of industrial undertakings and the establishment of new ones, the encouragement and actual development of import and export business with neutral and other formerly inaccessible markets, the initiation of a number of reconstruction schemes, and the improvement of transportation and communication services.

During the war years, India wiped out its sterling debt and built up a huge credit. In that respect India is now in a sound financial position. A considerable degree of inflation is apparent, however, despite efforts on the part of the Government and the Reserve Bank to check such a tendency.

Agriculture

With an appreciable improvement in the food position, as a result of large imports of wheat and, towards the end of the year, of Burma rice, Indian agriculture, so far as both production and distribution are concerned, has been under considerably less strain than in several previous years. It is still apparent that India must improve and expand its production of food grains and similar crops through the development of irrigation schemes, the adoption of more modern methods, and, as far as possible, by ensuring higher returns to the producer. Several plans of the

Central Government for providing assistance to agriculture through the provision of irrigation works, the prevention of soil erosion, the import of mechanical equipment and by other means have already taken form. It is hoped that these will soon show practical results.

The yields from the principal crops during 1944-45, either actual or estimated, as compared with 1943-44, show increases for wheat, groundnuts, rape and mustard seed, and linseed as against declines for jute, castor seed, rice, cotton, sesamum, and sugar cane. The falling off in the rice, jute and cotton crops was particularly noticeable. Statistics of such production during the past two years are as follows:—

Indian Agricultural Production

	1943-44	1944-45
	Bales	Bales
Jute	7,166,000	6,203,000
Cotton	5,094,000	3,543,000
	Tons	Tons
Sugar cane	5,696,000	5,442,000
Castor seed	140,000	130,000
Groundnuts	3,305,000	3,560,000
Rice	30,664,000	27,122,000
Rape and mustard seed	921,000	1,069,000
Linseed	381,000	391,000
Wheat	9,741,000	10,458,000
Sesamum	455,000	393,000

Industry

Most of India's leading industries maintained a high rate of production during 1945. A number of plants were expanded, and an additional number of new undertakings were established with the object of making up for the shortage of supplies of many commodities resulting from reduced wartime imports.

Records of post-war progress achieved by the iron and steel industry, in particular, showing the extent of its production and improvements in

the quality and range of its products, are indicative of its importance as a factor in India's effort to supply materials for the fighting services and to meet essential domestic demands. An equally valuable contribution has been made by the cotton mills, whose products have been required in the home market in unusually large amounts as well as in various Middle East countries and in South Africa, Australia, and New Zealand. As in several previous years, the achievements of these two industries were outstanding among India's industrial development during 1945.

The reversion of various Indian industries to peacetime production and the development of new undertakings has brought about an extensive demand for new machinery and equipment which is proving difficult to obtain. Some supplies which might be obtained from countries in the dollar area cannot be purchased owing to exchange control regulations, while the problem of obtaining stocks from the United Kingdom is generally complicated by delayed deliveries. The rapid steps towards further industrialization which have been contemplated by some local interests will probably have to be deferred for some time. This delay may prove fortunate, since a number of the proposed schemes may in the meantime be revised to place them on a sounder basis than in their original form. Definite steps are, however, being taken to erect plants for the manufacture of such articles as motor-vehicle parts and fertilizers, and further developments of the same kind are to be expected shortly.

Jute—The jute industry again experienced an unfavourable year. Demand has been reasonably firm, although variable, but production difficulties have been serious. Despite some apprehension regarding supplies of raw jute, production has been adequate to meet all the mills' requirements. Manufacturing operations have, however, been seriously impeded by a shortage of coal stocks and by a falling off in the labour supply. The industry has also suffered to some extent from

the requisitioning of several mills for special service purposes.

The output of manufactured jute goods by members of the Indian Jute Mills Association for the first ten months of the year was 839,678 tons as compared with the 1944 figure of 887,534 tons. The value of exports for the first eight months of the year was also lower at Rs.374,100,000 as against Rs.403,700,000 during the same period of 1944.

Nevertheless the industry is optimistic regarding the future. It is felt probable that overseas demand for raw jute will improve. There is a reasonable prospect also that revived overseas demand for jute manufactures, together with the removal of controls and the overdue overhaul and replacement of machinery and other mill equipment, will eventually lead to a new period of prosperity in this industry.

Cotton—The cotton industry experienced several abnormal influences during the past year. Raw cotton production decreased considerably as a result of the universal call for a larger output of grains and other foodstuffs. There was, at the same time, a high consumption of raw cotton by the mills, enabled partly by improved imports, largely from Egypt and the Sudan, but the stock position is estimated to have declined substantially by the end of the year.

The domestic market has been very short of piece-goods for a considerable time, due to absence of imports, keen export demand, and the necessity of meeting large service requirements. The inevitable result has been that the mills have been operating at high capacity despite coal and labour shortages. Even so, exports of cotton manufactures have declined very appreciably from the high figures reached during 1944.

India's cotton industry appears to have a reasonably bright future. War-time experience in the export of these goods to a considerable number of markets, coupled with the elimination of Japan from the trade and various improvements in manufacturing tech-

nique, encourage the expectation that this industry is likely to experience continued prosperity.

Coal—The coal position, which for several years has been extremely serious, underwent considerable betterment in 1945 and the present outlook is for continued progress. Improved production will not only benefit the various units in the industry but will be of the greatest value to the railways and numerous other industries in resuming regular and normal operations.

It is estimated that coal raisings during the first nine months of 1945 increased by 1,700,000 tons and that for the whole year despatches will have amounted to 25,500,000 tons as compared with 23,330,000 during 1944. The installation of new machinery and the improvement of transport facilities, together with the maintenance of various control measures affecting distribution, prices, etc., are expected to result in a further increase in 1946 despatches to some 29,500,000 tons. With any such development, local market requirements should be satisfied and a resumption in exports possible.

Sugar—The sugar industry is reported to have had a poor year. There was some shortage of cane supplies and a decline in available stocks of fertilizers. Production costs increased and repairs to manufacturing plants or the installation of new equipment were generally out of the question. Meanwhile prices remained under control and, with high taxation, profit margins were strictly limited.

There was a decline of some 2,500,000 tons in the consumption of cane by sugar factories during 1944-45 as compared with the 1943-44 season, and sugar output fell off from 1,216,000 tons to 985,000 tons. The decline in cane output was due to some extent to the diversion of land to the growth of food grains; in the case of manufacturing operations, some of the factories which had been in operation in previous years shut down for a variety of reasons. As a result of this heavy fall in output, a strict system of rationing has been enforced throughout the

country and will probably have to be maintained until, through internal arrangements in the industry or governmental co-operation, total output can be expanded to at least 50 per cent above present levels.

Iron and Steel—The iron and steel industry has continued to thrive and its major units have expanded their capacity, as well as the range and quality of their products. Wartime demand for a wide variety, and large quantities, of steels for use in ordnance factories, railway workshops, ship-building yards, motor-vehicle assembly shops, and machine-tool plants has now given way to insistent calls from many local industries and some export markets for materials for reconstruction, repair, and for use in new projects. The industry is still unable to cope with local demand for many types of steel manufactures, a situation which is illustrated in recent trade returns showing a large increase in imports and a decline in exports. All indications point, however, to continued development in this industry and a parallel decline in market opportunities for imports from abroad once the abnormal postwar demand has been reasonably satisfied.

Tea—The tea industry appears to have enjoyed a satisfactory year. Production in the gardens of Bengal and Assam has practically recovered from the set-backs occasioned by military operations in some of these areas during the past two years and is approaching the high figures reached in 1942. Tea estates in South India have at the same time maintained a high output level of 90,000,000 to 100,000,000 pounds, an increase of 25 per cent over the pre-war average. Total annual production for 1945 will be in the neighbourhood of 520,000,000 pounds. Exports have recently shown some decline in values, but this is probably a temporary situation.

The industry has continued to suffer from labour shortage, a scarcity of fertilizers, and from such other influences as damage to gardens and neglect of repair and maintenance

work; but with insistent demand and prices fixed at fair levels this trade has maintained a generally sound and prosperous position.

Other Industries—The progress of various other Indian industries such as flour milling, paper, matches, chemicals, oil milling, etc., has generally been limited by abnormal conditions affecting fuel supplies, transport, and labour, and in some cases these factors have resulted in decreased output and profits. In other instances possible progress has been impeded by the difficulties of obtaining plant and materials.

The insistent cry for the immediate and extensive development of new industries continues to be frequently heard, but no early or rapid developments in the industrialization of India are anticipated. There will be a few instances of new and reasonably important industries being developed, but the general process is expected to run a slow course.

Public Finance

Public finance in India during 1945 was featured by continued government borrowing, principally in the form of long-term loans which, it is estimated, reached a record figure of over Rs.3,000,000,000, approximately one-third of the total of the six war years. Borrowing operations were also carried on by some of the provincial governments. Interest rates on the principal Central Government loans were at 3 per cent, but in the case of an issue of 1950 bonds, floated about the middle of the year, the rate was $2\frac{1}{2}$ per cent.

Note circulation showed continued expansion, the figure of approximately Rs.10,000,000,000 recorded at the beginning of the year having expanded to almost Rs.12,000,000,000 at its end.

There was a substantial increase in the amount of India's sterling balances, resulting mainly from expenditures made by the British Government for the purchase of war materials and the maintenance of the Services. The sterling balance is shown in Reserve Bank

returns to have increased from Rs.12,-466,600,000 in January, 1945, to Rs.16,428,100,000 at the end of the year.

Banking

Banking is reported to have had another good year in 1945. Practically every phase of banking operations showed some improvement over the previous year, those recorded for time deposits and advances reflecting increased confidence and improved business and industrial activity. The general position throughout the country, where money has been unusually easy, found the banks with surplus funds, which were to a considerable extent invested in Central Government loans. The position of the banks has accordingly been improved as regards liquidity of assets, while in the case of many of the new and smaller banks, there has been a desirable improvement in the extent and type of their resources.

Transportation

The railway system again suffered from abnormal demands on its facilities and its inability to carry out repair and replacement programs except on a reduced scale. By the end of the year a considerable number of locomotives and other rolling stock had been received from Canada and the United States, but the effect of such additions to the system's equipment has been small to date and it will be a considerable time before operations will revert to a normal basis. Meanwhile, arrangements are being made for the purchase of further equipment from the United Kingdom and various plans are being worked out for the expansion and improvement of present services.

Road-transport systems await the construction and repair of highways and subsidiary roads, as well as a revival in imports of motor vehicles, tires and petrol.

A number of internal air services have been revived, while the R.A.F. has also operated on several important routes. Plans are already under way

for the expansion of India's internal air-transport system, for linking it with other British services, and for its eventual extension to a number of adjacent countries. These projects are in the hands of private enterprise, but the Indian Government is actively co-operating in connection with purchases of planes and equipment, the allocation of routes, the construction and organization of air fields, and in similar directions.

Inland water-transport systems are in process of reorganization. In the case of the coasting trade a considerable number of vessels which had been requisitioned for naval auxiliary purposes have been returned to the owners and numerous services between coast ports have been restored. It appears probable that Indian-owned shipping on such routes as well as in several deep-sea services to Africa, Malaya, and the Middle East is due for considerable expansion.

Foreign Trade Control

There has been further relaxation in the Indian Government's control of foreign trade although, apart from regulations permitting imports of a considerable range of consumer goods from the United Kingdom under an open general licence, the original rules applying to all other countries stand in more or less their original form. Special licences are, however, being issued much more freely than before.

A number of Indian products have been removed from the scope of export control regulations, but these regulations will apparently remain in force for some time and will apply to the trade in jute, cotton goods, grains, and such other commodities as are in short supply in the local market.

Internal Controls

The system of internal controls built up during the war to regulate production, consumption, prices, rationing, etc., is being relaxed or rescinded where

possible, but will remain in force for some time in so far as the prices of many commodities are concerned. The rationing of various foodstuffs, petrol, cloth, etc., must also be maintained in order to ensure the equitable distribution of such necessities.

Foreign Exchange Control

These regulations remain in force in their original form, except for such alterations as have been made to apply to liberated countries. Their application to Canada has not undergone any change, but it is hoped that current discussions with United Kingdom financial and trade authorities may result in some easing of the position with regard to the release of dollars for trade purposes, as well as for the use of those persons in India who are anxious to remove to Canada as permanent residents.

Prices and the Cost of Living

Commodity prices remained at abnormally high levels throughout the year. Official index figures of wholesale prices, based on those prevailing in August, 1939, show an average for the January-October period of 243·8. This figure compares with 114·8, 136·4, and 237·2 for the three previous years. From a record high of 250·3 in January, the index declined towards the middle of the year to 237·4, but again rose to 244·1 in October, the latest date for which such statistics are available.

In Bombay the working-class cost-of-living index, which stood at 229 in January, declined slightly in the two following months and then showed a gradual increase to 243 in August. From the index figures it is apparent that conditions at the ports are somewhat better than in inland centres where, owing mainly to transport difficulties, there is a greater scarcity of supplies, with the general level of prices consequently higher.

SEEDS IN THE SOUTH AFRICAN MARKET

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The range of climatic conditions in South Africa makes possible the growth of many types and varieties of seeds. Local production has long been supplemented by importations. These are summarized in Table 1, which shows annual totals of imports into South Africa of field, flower and vegetable seeds, not including oil seeds, edible seeds, bird seed, or tree seeds.

liberately planned to build up the domestic production of vegetable seeds so that such a threat to the economy and the very life of the country may not recur. The amount of imports of vegetable seeds in 1943 represents the minimum quantity essential to safeguard South African requirements, while the amount for 1938 represents unlimited importation.

TABLE 1

Imports of Seeds into South Africa, 1936-43

	Field Seeds		Flower Seeds		Vegetable Seeds	
	Lb.	£	Lb.	£	Lb.	£
1936	1,332,843	10,819	24,361	8,313	265,700	12,725
1937	1,163,629	11,204	22,373	8,216	234,358	10,472
1938	1,179,868	13,700	25,440	9,199	356,639	14,746
1939	1,489,461	13,666	25,106	8,784	257,309	13,124
1940	441,844	7,482	21,907	8,249	230,804	19,447
1941	1,298,700	9,119	9,771	5,631	297,103	40,505
1942	1,652,882	13,273	8,435	6,011	314,811	53,978
1943	2,671,303	28,301	3,232	1,417	380,721	54,490

A particular bearing of the figures in Table 1 is that they cover four peace years and four war years. The averages for the first four years are: field seeds, 1,291,450 pounds, £12,347; flower seeds, 24,320 pounds, £8,628; vegetable seeds, 278,501 pounds, £12,767. The averages for the four war years are: field seeds, 1,516,182 pounds, £14,544; flower seeds, 10,836 pounds, £5,327; vegetable seeds, 305,860 pounds, £42,105. Thus the quantity of field seeds imported increased in the war years by over 17 per cent, while that of flower seeds decreased by over 55 per cent and the quantity of vegetable seeds rose on the average by slightly over 9 per cent.

However, it is most important to note that in 1940 imports of field seeds dropped by over 65 per cent from the average of the previous four years and the imports of vegetable seeds decreased by over 17 per cent. Obviously this created a serious condition, with still more serious prospects, and, even though importations in the next three years were fortunately well above pre-war average, it will be understood why the South African authorities have de-

Imports of Field Seeds

Table 2 indicates the countries which have been the principal sources of supply of field seeds.

The main types of field seeds imported and the principal sources of each in 1944 and 1945 are shown in Table 3.

Imports of Flower Seeds

Imports of flower seeds of the usual varieties, but not including bulbs, are summarized in Table 4.

During 1944 it was made possible, for those who depended wholly or to a large extent for their livelihood on the sale of cut flowers or flowering plants, to import limited quantities of flower seeds. These quantities depended, for each applicant, on the acreage devoted to flower production.

Imports of Vegetable Seeds

The imports of vegetable seeds from main countries of supply during recent years are given in Table 5.

The main varieties of vegetable seeds imported and the principal sources in 1945 were: beans, 500,000 pounds from Tanganyika and 18,000 pounds from

the United States; peas, 300,000 pounds from Australia; cabbage, 16,000 pounds from the United States and United Kingdom; beetroot, 10,000 pounds from

TABLE 2

Imports of Field Seeds into South Africa by Countries

	1937		1939		1941		1943	
	Lb.	£	Lb.	£	Lb.	£	Lb.	£
India	537,161	1,943	1,024,490	4,096	1,081,932	3,467	2,394,517	18,018
Australia	75,496	2,686	96,875	3,082	13,440	493	23,360	797
United Kingdom ..	114,752	2,057	99,956	2,342	13,814	821	122,725	7,505
New Zealand	106,165	1,499	70,606	1,380	32,905	943	17,900	341
Southern Rhodesia	198,395	738	53,145	306	38,345	161	97,724	648
United States	18,304	545	13,693	454	59,929	1,584	12,735	934
Denmark	49,388	623	40,706	626	.....	.....	.....	.....
Netherlands	31,365	519	48,231	973	.....	.....	.....	.....
Argentina .....	.....	.....	.....	.....	52,771	858	.....	.....
Canada	56	3	11	1	.....	.....	.....	.....
Others	32,547	591	31,748	406	5,564	792	2,342	58
Total	1,163,629	11,204	1,489,461	13,666	1,298,700	9,119	2,671,303	28,301

TABLE 3

Main Types and Principal Sources of Field Seeds in 1944 and 1945

Type		United States	Australia	New Zealand	United Kingdom	Southern Rhodesia	Total
Chou Moullier	1944	.....	.....	.....	.....	.....	.....
	1945	.....	.....	.....	205,254	.....	205,254
Rape	1944	22,400	6,000	6,500	12,000	.....	46,900
	1945	.....	.....	.....	3,065	.....	3,065
Turnip	1944	6,000	.....	.....	30,122	.....	36,122
	1945	.....	.....	.....	.....	.....	.....
Swede	1944	6,000	.....	.....	6,720	.....	12,720
	1945	.....	.....	.....	8,488	.....	8,488
Cow pea	1944	.....	.....	.....	.....	64,000	64,000
	1945	.....	.....	.....	500	.....	500

TABLE 4

Imports of Flower Seeds into South Africa

	1937		1939		1941		1943	
	Lb.	£	Lb.	£	Lb.	£	Lb.	£
United Kingdom	14,416	6,333	16,406	6,786	4,842	2,566	56	37
United States	3,170	858	3,543	1,165	4,797	3,014	2,401	1,115
Netherlands	3,919	623	2,132	399	.....	.....	.....	.....
Germany	442	304	411	206	.....	.....	.....	.....
Others	326	98	2,614	228	132	51	775	265
Total	22,273	8,216	25,106	8,784	9,771	5,631	3,232	1,417

TABLE 5

Imports of Vegetable Seeds into South Africa

	1937		1939		1941		1943	
	Lb.	£	Lb.	£	Lb.	£	Lb.	£
United Kingdom	116,490	4,770	115,471	4,607	83,806	8,271	202,993	15,249
United States	19,927	2,458	35,163	3,301	193,178	31,710	168,226	37,164
Netherlands	31,274	1,263	62,540	2,203	444	69	.....	.....
France	24,975	1,236	25,459	1,644	113	11	.....	.....
New Zealand	33,202	176	583	86	10,642	173	3,360	451
Others	8,490	569	18,093	1,283	8,920	271	6,142	1,626
Total	234,358	10,472	257,309	13,124	297,103	40,505	380,721	54,490

Canada supplied 3,760 pounds (£295) in 1942.

the United States and United Kingdom; turnip, 6,000 pounds from the United States and United Kingdom; spinach, 5,000 pounds from the United States; lettuce, 3,000 pounds from the United States.

The importation of pea seed was necessitated by the sudden demand by the canning industry for 100 short tons of pea seed during November, 1944, for military purposes. This quantity of seed was available in the Union from the 1944 harvest (240 tons), but would have depleted stocks if these had not been augmented by subsequent importation. An additional 50 short tons were imported to obviate the recurrence of such a position.

Annual Requirements of Vegetable Seeds

An official estimate of annual requirements and average annual production of the most important vegetable seeds gives the following data:—

	Requirements Pounds	Estimated Production Pounds
Beans, broad	15,000	15,000
Bean, bush and runner..	600,000	80,000
Beet (red) ¹	32,000	70,000
Broccoli	300	....
Cabbage, hard	16,000	....
Cabbage, Cape Spitz ...	4,000	8,000
Carrots	50,000 ³	42,000
Cauliflower	4,000 ³	600
Celery	1,500	....
Corn, sweet	8,000	24,000
Cucumber	5,000	10,800
Egg plant	500	500
Endive	500	....
Kohlrabi	1,300	....⁴
Leek	2,000 ³	500
Lettuce	6,000	6,700
Melon ²	2,000	6,000
Onion	12,000	27,500
Parsley	3,000	....
Parsnip	4,000 ⁴	1,000
Pea	620,000	680,000
Pepper	500	100
Pumpkin	10,000	15,000
Radish	15,000 ⁴	4,000
Spinach	9,000	....
Spinach beet	3,000 ⁴	500
Squash and marrow ...	18,000	25,000
Tomato	6,000	7,000
Turnip	23,000 ⁴	....
Watermelon	8,000 ⁴	7,500

¹ See also spinach beet.

² Mainly cantaloupe, honeydew, etc., see also watermelon.

³ A large carryover from previous years reduced plantings.

⁴ Crop failures owing to drought.

In view of the fact that the annual production figures reflect that the level of production becomes more and more adjusted to local requirements and that every year, since 1942, South African growers include a wider range of varieties and kinds of vegetables in their seed-producing program, an average figure would not reveal the present position. In addition, it should be added that weather conditions during the growing season 1944-45 were disadvantageous, while the season 1945-46 may prove to be worse than the previous one.

Making due allowances for the effect of the present drought on various seed crops, it may be anticipated that the figures, as given above, will represent the harvest for the present season. Production could be increased nearly indefinitely within a year or two provided the demand existed.

Export of Seeds

South African production of seeds of some types is sufficient to support a modest export business as indicated by Table 6, which shows exports of field, flower and vegetable seeds of South African origin. The principal varieties exported in 1945 are shown in Table 7.

Growth Behaviour

Experiments have indicated that no difference in behaviour due to the effect of length of day has been observed between crops raised from imported and from domestic seed, and no significant differences have been noted in the rate of growth or productivity between imported and domestic seed sown together in most climatic areas of South Africa. A tendency for crops from domestic seeds to show more rapid early development during the growing period has been noted, but not yet investigated on a statistical basis. Thus far no indications of deterioration of domestic seeds, due to inbreeding or over-selection, have been observed by government stations.

Import Tariff and Government Policy

All seeds for planting are imported free of duty.

As already noted, importations of vegetable and field seeds fell precariously low in the early years of the war and the policy inaugurated at that time will be continued for the next two years and probably thereafter until the production of vegetable seeds at least is stabilized. That is, the Division of Horticulture will estimate the quantities of seed required by the country as a whole and set up import allocations for each seed merchant, who is free to order whence he wishes

within his allocation. By virtue of Government Notice No. 458 of March 16, 1945, vegetable seeds may be imported into South Africa only under authority of a permit issued to the importer by the Chief of the Division of Horticulture and subject to such conditions as may be laid down in the permit.

The Government has provided for the voluntary registration of domestic seed growers and government inspection for certified seed.

The production of flower seeds is by private enterprise and there are no restrictions on importation. The South African Government assists growers with advice, guidance and research.

TABLE 6
Exports of South African Seeds

	1937		1939		1941		1943	
	Lb.	£	Lb.	£	Lb.	£	Lb.	£
Southern Rhodesia	11,399	467	16,746	531	20,676	811	22,844	4,361
United States	33,850	677	46,400	1,010	.....	.....	.....	.....
Belgian Congo	123	16	2,556	50	4,739	725	4,476	1,633
Kenya	638	70	1,983	68	1,151	466	4,414	2,536
Madagascar	3,000	51	.....	.....	.....	.....	2,147	1,677
French Africa* .....	.....	.....	.....	.....	3,158	901	1,492	1,000
Mocambique	844	93	1,910	47	2,423	313	1,220	483
Others	4,623	198	5,646	372	6,075	1,087	†12,535	†9,804
Total	54,477	1,572	75,241	2,078	38,222	4,303	49,138	21,494

* West Africa and Equatorial Africa only.

† Mainly United Kingdom.

TABLE 7
Exports of Seeds from South Africa during 1945

	Southern Rhodesia	Northern Rhodesia	Tangan-yika	Kenya	Belgian Congo	Others*	Total
Pea	18,000	3,000	4,000	1,000	800	3,200	30,000
Bean	5,000	4,000	.....	.....	10,000	3,000	22,000
Carrot	4,800	500	2,000	1,000	6,700	2,000	17,000
Cabbage	2,000	200	500	400	1,700	2,200	7,000
Beet	2,200	500	1,000	600	700	1,500	6,500
Turnip	1,200	300	300	100	800	800	3,500
Tomato	1,550	100	150	50	500	650	3,000

* Mainly Portuguese colonies in Africa.

PROGRESS IN COMMUNICATION

Although the use of airmail has speeded up communication between the different parts of the world by letter, and although further acceleration of these services may be expected in the immediate future, there is little likelihood that the usefulness of cable and radio links will be reduced. In fact the tendency will probably be the other way, for speedier contact with distant parts by personal visit and letter increases the demand for communication of all kinds. Progress in telecommunication technique is, therefore, a matter of direct interest to business men, although improvements in methods of transmission are usually more difficult to understand, and make less popular appeal than the plain fact that so many hours have been cut off the time taken by airmail from Britain to perhaps Australia.

—From *The Chamber of Commerce Journal*.

MEXICAN WATERWAYS PROJECT

By D. S. COLE, *Commercial Counsellor, Canadian Embassy in Mexico*

Some months ago a committee was appointed by the Mexican Government to investigate the entire Mexican picture with regard to navigation. The following gentlemen were appointed to this committee: Eduardo Villaseñor, Director of the Bank of Mexico; Alfonso Poiré, Director, Naval Constructions, Department of Marine; Mr. B. M. Higgins, of the B. M. Higgins Industries, Inc., New Orleans. A report, which was paid for by the Bank of Mexico and prepared by Mr. Higgins, has been subsequently submitted, which involves the proposed expenditure of 213,000,000 pesos for wharves, shipyards and port facilities.

Preliminary reports covering this survey indicate the desirability of making twelve rivers navigable, and the construction of considerable docks at Manzanilla on the west coast; likewise they include suggested installations at other Mexican ports and the establishment of four steamship routes requiring twelve ships, nine to have a capacity of 1,000 tons and three of 2,000 tons each.

The following rivers would require considerable improvement: Tamesi, Tuxpam, Pánuco, Tecolutla, Nautla, Papaloápam, San Juan, Tonalá, Coatzacoalcas, González, Grijalva, Usumacinta and Balsas.

Four new shipping routes as proposed are as follows:—

1. On the Pacific coast (coasting trade);
2. From Mexico to California;
3. Gulf of Mexico, United States, and Cuba;
4. Gulf of Mexico (coasting trade).

The voluminous report has likewise suggested the creation of a transportation company to handle sea and river traffic as well as certain road traffic for feeder purposes. A supplementary proposal is to form four companies to make sure that continuous services would be available for the handling of agricultural produce, fish and lumber.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); and Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela. Their itineraries as presently arranged are as follows:—

Mr. Palmer

Montreal—Feb. 18 to 23.

Mr. Bissett

Montreal—Feb. 18 to 23.

Ottawa—Feb. 25 to 27.

Mr. MacDonald

Toronto—Feb. 18 to 23.

Ottawa—Feb. 25 to 27.

Montreal—Feb. 28 to Mar. 6.

Ottawa—Mar. 7 to 12.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for Montreal, with the Montreal Board of Trade.

REVIEW OF IMPORT CONTROLS OF FOOD PRODUCTS

The Import Division of the Foreign Trade Service is receiving a number of inquiries concerning the necessity of obtaining import licences where in some cases controls have already been lifted and a permit for entry is no longer required.

Accordingly it is believed a review of remaining import controls will be of immediate interest and assistance to importers. The food products and associated items which are affected by these remaining controls are listed below.

COMMODITY	NOTE
Sugar or edible molasses	Customs tariff items 134, 135, 135(a), 135(b), 136, 136(a), 137, 139 and 140 are affected.
Candy and confectionery, n.o.p.....	Customs tariff items 23 and 141 are affected.
Prepared fruits and peels, including preserves, etc.	Customs tariff items, 105, 105(d), 105(c) and 106 are affected.
Fruit syrups and flavouring syrups containing more than 25 per cent by weight of sugar..	Excerpts from Customs tariff items 152 and 220(a) are affected.
Honey in the comb or otherwise and imitations thereof	Customs tariff item 108 is affected.
Dairy products	Butter and cheese, sweetened condensed milk, unsweetened condensed milk, dried whole milk, dried skim milk, dried buttermilk, dried whey, milk sugar, sterilized milk, condensed buttermilk, dried albumen, whey, concentrated malted milk and casein are affected.
Dried fruits	Plums or prunes; item 96(a); raisins and dried currants, item 99(c); dates, items 99(d) and 99(e); figs, item 99(f); apricots, nectarines, pears and peaches, dried, desiccated, evaporated or dehydrated, item 99(g); dried, desiccated, evaporated or dehydrated fruit, n.o.p. item 99(b).
Grapefruit juice and blended orange and grapefruit juice	Excerpts from tariff items 152 and 152(b) affected.
Vegetable, animal and fish oils and greases..	Items 13, 14, 215, 215(a), 258, 259(a), 259(b), 262, 265, 265(a), 266, 276, 276(a), 276(b), 277, 277(a), 278, 278(a), 278(b), 278(c), 278(d), 278(e), 280, 824, 831, 838, 839, and excerpts from 208, 216, and 711 affected.
Tea and green coffee.	
Cocoa beans (not roasted, crushed or ground)	Item 77(a).
Butter produced from cocoa beans	Item 20(a).
Cocoa or chocolate preparations, sweetened or unsweetened (not including confectionery, for which see above)	Items 20, 21, 22 and excerpts from 23.
Peanuts, walnuts (shelled or unshelled)	Item 109(a) and excerpts from 109 and 114.
Coconuts	Items 110 and 111.
Cocoonut desiccated, sweetened or not.....	Item 113.
Copra	Item 113(a).
Palm kernels	Item 114(a).

COMMODITY	NOTE
Rapeseed	Excerpt from items 72(d), 73, 276(b) and 76(d).
Sesame seed.	
Cotton seed.	
Sunflower seed.	
Fruits and vegetables	All fruits and vegetable classified under items 71(d), 83(a) and (c); 87, 92, 93, 94, 95, 95(a) and (b); 96, 97, 98, 100, 100(a), 101, 101(a), and (b); 102.
Onions in their natural state	Including tops and shallots, excerpt from item 84.
Mushrooms and touffles, fresh	Excerpt from item 85.
Ginger, spices and peppers, ground or un-ground	Including imitation pepper consisting in part of black or white pepper, items (30-31 et al).
Nutmegs and mace	Whole or unground and ground, items 32-33.
Rice	Items 62, 63, 63(a).
Wheat and wheat products.	
Extracts of meat and fluid beef, not medicated	Item 8(a).
Canned meats, poultry or game	Item 8.
Canned fish of all kinds, including canned lobster, crabs, clams, etc.	Items 120, 121, 122, excerpt from 123, 123(a), 125, 126, 127.

Other non-food products under import control include coal and coke, hides, skins and unmanufactured leather, manila, java and sisal fibres and manufactures, jute products, bristles and various textile materials.

The remaining non-food import controls will be reviewed in a following issue of the *Commercial Intelligence Journal* and note will be made from time to time of items removed from import control.

TRADE AGREEMENT BETWEEN CANADA AND MEXICO - SIGNED

A trade agreement between Canada and Mexico was signed at Mexico City on February 8, 1946, by Hon. James A. MacKinnon, Minister of Trade and Commerce, and H. L. Keenleyside, Canadian Ambassador to Mexico. It provides for exchange of most-favoured-nation treatment between the two countries in matters concerning customs duties and subsidiary charges as well as in respect of rules and formalities connected with importation and of laws and regulations affecting the taxation, sale, distribution or use of imported goods. This means that the products of each country, on importation into the other, will not be subject to customs duties

or other charges greater than those applicable to similar imports from a third country. Similarly any reductions which either Canada or Mexico may grant in the future to a third country will automatically be extended to the other. Thus imports into Canada from Mexico will in future, instead of being subject to the general tariff as heretofore, be accorded the intermediate tariff and any rates lower than the intermediate granted by Canada to other foreign countries. The tariff treatment now accorded by Canada to other British countries is excluded from the operation of the agreement. No immediate reduction in customs duties is made by Mexico for goods of Cana-

dian origin, as it has been Mexican policy not to limit the application of conventional duties to countries with which she has trade agreements. In other words, Mexico has a single column of duties applicable equally to imports from all countries, and any tariff reductions she has made in favour of a particular country, for example, those contained in the Mexico-United States trade agreement concluded in 1942, have already been extended to Canada (see *Commercial Intelligence Journal* No. 2040: March 6, 1943, page 197).

An important provision of the agreement is that quantitative restrictions which may be imposed on imports into either country from the other are subject to consultation. The agreement provides also that, if either country sets up government agencies with exclusive privileges for exportation or importation of goods, such agencies will be influenced solely by considerations of price, quality, transportation and terms of purchase or sale which would ordinarily be taken into account by a private commercial enterprise.

Subject to certain specified exceptions, the new agreement provides that imports into either country from the other will be exempt from all internal taxes, fees, or charges other or higher than those payable on articles of national origin within the taxing country or of any other foreign origin. This provision will result in a reduction in the Mexican registration fees established by the Mexican Department of Health. Hitherto the fee for registration of packaged food products and beverages has been 50 pesos per product and for pharmaceutical specialties and toilet preparations, 200 pesos per product, when imported from any country except the United States. The fee for goods of both these categories of Mexican domestic origin or when imported from the United States is 20 pesos per product. Under the new agreement, Canadian goods of these classes will also be entitled to the lower fee when submitted for registration in Mexico.

The trade agreement also provides that each country will grant to the other an opportunity for consultation if either adopts any measure which is considered by the government of the other country as tending to nullify or impair any of the objects of the agreement. The operation of customs regulations, control of foreign exchange, quantitative restrictions and their administration, the observance of customs formalities and the application of sanitary laws and regulations all come within the scope of this provision of the agreement. If a satisfactory adjustment is not arrived at after consultation, the agreement may be terminated in whole or in part on thirty days' written notice.

The trade agreement, which is the first ever concluded between Canada and Mexico, came into force provisionally on February 8, 1946, the date of its signature. The provisional application may be terminated on three months' notice by either party. Thirty days after exchange of the instruments of ratification at Ottawa the trade agreement is to go into force definitively for two years. Its duration is automatically continued thereafter for one-year periods, subject to termination on six months' notice by either party to the agreement.

Canada's trade with Mexico has shown a spectacular growth in recent years. Imports from that country into Canada, which amounted to only \$438,000 in 1934, have grown to \$13,119,000 in 1944 and \$13,508,000 in 1945. Exports have shown a similar tendency, although limited by shortages of supplies and inevitable wartime restrictions. They amounted in 1944 to \$6,273,000 and in 1945 to \$8,165,000. The principal commodities which Canada imports from Mexico include fresh tomatoes, sisal fibre, raw cotton, fresh fruits, rubber, and chicle gum. Mexico offers a market to Canada for grains and flour, newsprint and other paper, rubber products, manufactures of leather, asbestos manufactures, a wide range of chemicals, breeding cattle, fish, and a wide range of other products.

EXCHANGE CONTROL IN COLOMBIA

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

Columbia instituted exchange control in September, 1931, and since that time numerous regulations have been issued amending the basic legislation. In December, 1931, the Office of Control of Exports and Imports was placed under the supervision of the Central Bank of the Republic and in February, 1942, the National Superintendency of Imports was established to issue permits under the Decentralization Plan. These two agencies were later consolidated to form the Office of Control of Exchange, Imports and Exports in February, 1944, and this agency now controls exchange in Colombia. Exchange policy is determined by the Board of Exchange Control, which includes the Minister of Finance of the Colombian Government and the Manager of the Central Bank of the Republic.

Buying and selling rates of the Colombian peso have been fixed officially by the Central Bank since November, 1938, at 1.745 and 1.755 pesos to the dollar respectively. Although rumours concerning a change of rates recur, it may be assumed that no such change is officially contemplated at the present time. Minor alterations in the rates occur frequently in commercial bank transactions, but the control is very effective.

IMPORTS OF CAPITAL

New capital imported into Colombia is subject to approval by the control authorities. Small sums up to \$1,000 are approved by the commercial banks under general licence; amounts between \$1,000 and \$20,000, for which individual applications must be submitted, must be approved by the Office of Exchange Control. Amounts in excess of \$20,000 must be approved by the Board of Exchange Control, and this Board decides each case on its relative merits. As a general rule, the importation of new capital has been welcomed and in recent years receipts have increased substantially.

PURCHASES BY BANKS

The banks are authorized to buy for their own account exchange entering Colombia through the sale of travellers' cheques or withdrawals under letter-of-credit for (a) living expenses of foreign residents or travellers in Colombia, (b) receipts of commissions and expenses of agents or representatives in Colombia, (c) exchange sold by diplomatic or consular representatives for the maintenance of their missions.

PAYMENT OF EXCHANGE FROM EXPORTS

Exchange arising from exports other than coffee is paid for in the proportions of 90 per cent in pesos and 10 per cent in National Economic Defence Bonds; in the case of coffee exports, 95 per cent is paid in pesos and 5 per cent in National Economic Defence Bonds. Exchange arising from any other source than exports, or the sale of precious metals, must accept 20 per cent in National Economic Defence Bonds.

IMPORT CLASSIFICATIONS

During World War II, Colombia accumulated considerable United States balances and it is the purpose of the present exchange regulations to conserve these balances in order to provide for essential imports and the progressive economic development of the country. All imports require an import licence from the office of Exchange Control and evidence must be produced that the exchange is to be used for a bona fide import transaction.

A feature of the control machinery had been the division of imports into four classifications according to their essentiality and a 5 per cent import deposit on the import licence was required, but this was finally removed in April, 1943. However, on March 13, 1945, the four classifications of imports were restored, plus a new preferential classification, which includes industrial and agricultural machinery, tools, construction and transport equipment and

parts thereof, and raw materials. This preferential group requires only a deposit of 2 per cent of the value of the import licence to be placed with the Exchange Control Office at the time the application is presented. Group No. 1 requires 5 per cent, group No. 2 10 per cent, group No. 3 15 per cent and group No. 4 20 per cent.

The actual composition of these four groups is not of any practical interest to a Canadian exporter, since the local agent or importer files the application for the import licence and nothing can be done about completing an import transaction until the import licence has been first approved. However, details of the classifications are on file in the Department of Trade and Commerce and information regarding them may be obtained on application.

APPROVAL OF IMPORT LICENCES

An import licence covering articles in the preferential group will be approved each month up to the equivalent of 25 per cent of the gold and exchange purchases made by the Central Bank of the Republic during the preceding month; in addition, for this group import licences may be approved to an amount equivalent to the excess gold and exchange reserves of the Central Bank. This supplementary distribution, however, must be made gradually over a four-year period.

Import licences for the requirements of the National Government in merchandise of the first classification will be approved for each month up to the equivalent of 40 per cent of the purchases of gold and exchange made by the Central Bank during the preceding month and for the remaining groups up to a value equivalent to 15 per cent of such purchases. If there are any unutilized balances from the previous month which have been established for the four classes, the Office of Exchange Control may use these balances for the preferential group.

In practice, import licences for the preferential group and for group No. 1 are granted without delay; but it will be seen that, as the United States dollar position tightens, delays may develop progressively in granting licences for

the other three groups and eventually it may become quite difficult to secure an import licence for a commodity classified in groups Nos. 3 or 4, and import licences for group No. 4 might finally be practically refused should sufficient exchange not be available.

REMOVAL OF CAPITAL

Exchange control also operates to limit the removal of capital from the country. From the imposition of controls in 1931 up to 1942, it was rather difficult to remove foreign capital from Colombia. A resolution of January 12, 1945, provided that exchange would be made available for three months from that date for the payment of dividends on foreign capital invested in the country prior to January 1, 1936, and for interest and amortization on external indebtedness of companies domiciled in Colombia and which was incurred prior to September 24, 1931.

Exchange is also granted for the expenses of Colombian diplomatic and consular officials abroad and branch offices of Colombian enterprises maintained outside the country, and for payment of debts contracted abroad, up to the amount of 40 per cent of the value of precious metals mined by foreign-owned companies and the purchase by the Stabilization Fund of external bonds of the national, departmental and municipal governments and shares of Colombian enterprises.

STABILIZATION FUND

The Stabilization Fund, an integral part of the control system, is administered by the Board of Exchange Control, and the Fund has broad powers to carry on most types of exchange transactions, as well as the purchase of internal and external public debt, bonds of the local and national governments, the purchase abroad of shares and bonds of Colombian enterprises, the contracting of loans in Colombia or abroad, and the sale of exchange. Details of the operations of the Fund are not made public, but the Government and the Central Bank are authorized to guarantee all transactions of the Fund.

SUPPLY OF U. S. FUNDS

The operation of the exchange control machinery of the Colombian Government, as explained above, may be of theoretical interest. The Canadian exporter is particularly concerned with knowing whether or not he is likely to be paid for his exports to Colombia and if vexatious delays must be experienced in securing his funds. The United States dollar position of the Republic is very sound. The leading United States oil companies are constantly sending large amounts of United States currency to Colombia to finance the vast oil-exploration program being undertaken at the present time. With this important source of additional revenue available to the Government, no shortage of United States funds should be experienced in the visible future and the credit position may be considered sound. No Canadian exporter should experience difficulty in securing payment for his goods if the local representative exercises reasonable care in the selection of credit risks.

PROCEDURE IN PAYING FOR IMPORTED GOODS

The Canadian exporter, however, may encounter considerable delay in

securing final payment of his draft when shipping to Colombia on cash-against-documents or other terms. The procedure of liquidating the drafts is rather involved and is finally dependent on the completely processed customs manifest being produced by the importer and given to the bank holding the documents, which is authority for them to remit the necessary United States funds. Recently, there has been so much congestion and confusion in the leading ports of Colombia that sometimes it takes many weeks, or even months, to complete the customs procedure and secure the completed manifest, and these delays have become so annoying that an alternative procedure has been adopted.

All that is required now is the original bill of lading or copy, the consular invoice, the commercial invoice and import licence, and upon presentation of these documents to the bank, the draft can be paid. However, to secure his import licence, the local importer has to pay a deposit which may range from 2 per cent to 20 per cent of the total value of the invoice and this can only be returned by presentation of the customs manifest duly liquidated.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

ested in securing representation in the Chilean market for Canadian manufacturers of the following products:

Laboratory and medical equipment; syringes of all kinds; syringe outfits; hypodermics; ampulle outfits; pocket hypodermic cases; manometers, blood and spinal; meters, adapters and stop-cocks; stethoscopes, all regular; thermometers with their cases; dissecting kits; clamps and screw compressors; magnifying glasses; laboratory pyrex flasks; laboratory flasks of all kinds; laboratory bottles; test tubes (culture, combustion, etc.); beakers; crucibles; scalpels; laboratory centrifuges; duodenum tubes; urethral catheters; eye, ear and nose instruments; pocket flashlights; scissors; forceps (utility, sponge, cartilage, student, fine point, etc.); fancy wrapping papers; labels; ribbons; any kind of decorative holiday wrappers; Christmas cards, etc.; wrapping paper, 75 cms. by 50 cms. width. File: C.E. 197

8. *Chile*—Valenzuela y Cia., Nueva York 52, Office 602, Santiago, Chile. This firm, which has been well reported on, is inter-

POSTAL SERVICES AND RATES

Mail Service to Italy

Letters, packages prepaid at letter rates, printed and commercial papers, weighing up to the normal limit of 4 pounds 6 ounces, may now be accepted for transmission to the provinces of Fiume, Gorizia, Pola, Trieste and Zara, in Italy.

The service for sample post has also been resumed to the five provinces mentioned above. The normal condi-

tions of mailing, including the one-pound weight limit, will apply.

Mail Service to the Philippine Islands

Printed matter addressed to the Philippines may be accepted for transmission under normal conditions, except that packages weighing over 8 ounces must not be mailed more often than once per week by any one sender to the same addressee.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Feb. 4	Nominal Quotations Feb. 11
Argentina ..	Peso	Off. .3282	.3282
		Free .2707	.2696
Australia	Pound	3.5520	3.5522
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica).	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France	Franc	.0092	.0092
French North Africa.....	Franc	.0157	.0157
French Pacific.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0111	.0111
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.

Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.

Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.

Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

BUSINESS CONDITIONS IN MEXICO IN 1945

By D. S. COLE, *Commercial Counsellor, Canadian Embassy in Mexico*

Foreign Trade

Mexico's foreign trade in 1945 was higher in value than in any previous year in the history of the country. Imports and exports combined totalled 2,658,281,571 pesos, or U.S.\$531,656,314, for the eleven months ended November 30, 1945, the latest date for which returns were available at time of writing. Both imports and exports set new high records for the period, and the volume of trade was increasing still further as the year ended.

An adverse balance of trade was recorded for the third time in Mexico's recent commercial history and for the third successive year, although it was some 50,000,000 pesos less than in 1944. The excess of imports over exports was 227,911,623 pesos on November 30 and may have totalled some 250,000,000 pesos for the year.

Imports during the period January 1 to July 31 totalled 856,950,240 pesos in value, or a monthly average of 122,421,488 pesos (U.S.\$24,484,298). During the period August 1 to November 30, the monthly average of imports rose to 145,785,589 pesos (U.S.\$29,157,118).

term risks, but there is plenty of money available. However, as is indicated by the desire of Mexican capital to make funds available to Canadian companies desirous of operating in this country and, as it is undoubtedly a government policy, where possible, to maintain financial control of foreign companies operating in Mexico, the above-mentioned position is quite in keeping with this policy.

With regard to paper currency in circulation, according to the Banco de Mexico, the amounts outstanding have varied, approximately from 1,500,000,000 pesos to 1,900,000,000 pesos. Figures of Customs collections are not available for the whole year, but have ranged between 50,000,000 and 60,000,000 pesos per quarter, including both imports and exports.

Bank deposits at the end of June, 1945, amounted to approximately 2,200,000,000 pesos as compared with 2,560,000,000 pesos at the end of June, 1944. This is indicative of the considerable increases in savings deposits—from 124,000,000 to 201,000,000 pesos.

Mexico's Balance of Trade

Year	Imports Pesos	Exports Pesos	Balance of Trade Pesos
1937	613,755,000	892,389,000	+278,634,000
1943	910,001,122	1,129,855,025	-219,853,903
1944	1,348,635,000	1,047,846,000	-300,789,000
1945	1,443,092,597*	1,215,180,974	-227,911,623*

* Up to November 30, 1945.

Exports during the first seven months were valued at 740,891,586 pesos, a monthly average of 105,841,912 pesos (U.S.\$21,168,382), while in the period August 1 to November 30 the monthly average rose to 118,572,347 pesos (U.S.\$23,714,467).

Finance

Credit in 1945 throughout Mexico has been rather restricted, with a tendency to short- rather than long-

Bank clearings have likewise increased, while interest rates charged by commercial banks have been slightly lower at approximately $7\frac{1}{2}$ per cent per annum with long-term investments possibly obtainable at 6 to $6\frac{1}{2}$ per cent. It should be noted, however, that the Government required that country banks increase their deposits with the Central bank to 46 per cent by July 1, 48 per cent by August 1, and 50 per cent by September 1, 1945.

EXPORT-IMPORT BANK CREDITS

It was announced on December 7, 1945, that an agreement had been signed providing for a credit of \$20,000,000 by the Export-Import Bank to assist in financing the purchase in the United States of equipment, materials, and services to be used in connection with a broad electrification program in Mexico. The program will be carried out by the Comisión Federal de Electricidad, an agency of the Mexican Government, in co-operation with Nacional Financiera, a semi-governmental Mexican financial institution, both of which are parties to the agreement in addition to the Government of Mexico. Equipment, materials and services eligible for financing under the credit may be financed up to their c.i.f. cost, Mexican port of entry.

The credit may be utilized at any time prior to June 30, 1948. Advances under the credit will be repaid in forty approximately equal semi-annual instalments. Interest will be at the rate of 4 per cent per annum. Advances under the credit will be secured by the assignment of revenues derived from specified taxes on the consumption of electrical energy in Mexico, as well as by the unconditional guaranty of the Government of Mexico.

Total Export-Import Bank credits to Mexico since 1941 amount to almost \$94,000,000, including the new credit of \$20,000,000. These credits have been principally for highway construction and for the purchase in the United States of gasoline-refinery equipment, railway equipment, steel-mill equipment, and, in the present case, electrical equipment. Of the total amount of credits authorized, approximately \$17,000,000 have been utilized and about \$4,000,000 repaid. Outstanding advances are therefore \$13,000,000. Credits to the amount of \$77,000,000 are still available.

Agriculture

Although it increased steadily year by year during the period of the war, in 1945 the value of agricultural produce decreased for the first time since

1938. Production during the war years was stimulated by demands for food for export, which caused the value of farm produce to rise from 630,500,000 pesos in 1938 to more than 1,408,200,000 pesos in 1944, or by 55½ per cent. In 1938 the area devoted to the cultivation of 40 staple products was 5,339,000 hectares (of 2.47 acres); by 1944 this area had increased by 17½ per cent to 6,470,000 hectares.

Both export demand and the absorption of fresh thousands of agricultural workers into Mexico's growing industry were responsible for the decline in production during 1945 to levels below those needed for domestic consumption.

WHEAT

The 1945 wheat crop was 385,000 tons, and it fell far below the minimum domestic needs of 500,000 tons. The best Mexican wheat was selling on January 1, 1946, at 325 to 350 pesos per ton, a price regarded as very high, since the wheat yields considerably less flour than United States wheat imported at 367 pesos per ton. To supplement domestic supplies, 60,000 tons, or 15 per cent of annual consumption, were imported during 1944. In the first ten months of 1945 the imports amounted to 40,000 tons.

As a result of dwindling wheat production, the milling industry was in poor condition as the year ended, and flour, biscuit and noodle factories were operating at not more than 75 per cent of capacity.

CORN

The corn crop last year was estimated at 1,800,000 tons, but it probably fell a little lower. For instance, in the State of Durango, the yield was 60 per cent lower than had been anticipated, and in the area of Parral, in the State of Chihuahua, the crop was a total loss. Corn has been imported to supplement supplies, annual consumption in Mexico being now estimated at 3,000,000 tons. In 1944 the corn crop was 2,300,000 tons as compared with 1,900,000 tons in 1939.

SUGAR

Production of sugar has failed completely to keep pace with increased consumption—especially industrial consumption—during recent years. In 1941 a total of 327,000 tons were produced in Mexico, and 365,000 tons were consumed. In 1944 the figures were 389,000 tons produced and 466,000 tons consumed. During the five-year period 1940-45, only in 1942 did production meet the domestic demand, with a crop of 420,000 tons. The 1945 crop fell a few tons below that of 1944, at 370,000 tons. Consumption during 1945 was estimated in September, 1945, at 450,000 tons. In order to compensate for this shortage, 30,000 tons were imported in 1943, 60,000 tons in 1944, and almost 100,000 tons in 1945.

The Sugar Producers Union has estimated that sugar production must be increased by a minimum of 82,000 tons annually in order to meet the domestic demand alone. The Union favours the establishment of a red beet plantation in Lower California, limiting its production to 30,000 tons annually. Meanwhile, the Sana Lona dam in Culiacan in the State of Sinaloa, will be completed during 1946 and will irrigate 100,000 hectares of sugar-cane land.

Lack of agricultural implements, especially tractors, and of railroad and road transportation, is blamed by sugar-cane millers, who are organized in the National Co-operative of Sugar Producers, for the domestic shortage which has increased considerably the price to household consumers and led the Government to prohibit the export of any canned foodstuffs to which sugar has been added. They have also pointed out that 40 per cent of the sugar cane is grown on lands dependent entirely on rainfall and devoid of irrigation works. Government expenditure on dams and irrigation canals is designed to improve these conditions.

OTHER PRODUCTS

During this period of increased production, the yield of beans, a staple Mexican food, was 27,000 tons more in 1944 than in 1939; rice harvests

yielded 21,000 tons more than in 1939; wheat, 56,000 tons less; peppers, 7,000 tons more; cotton, 159,000 bales more; coffee, 14,000 tons more; cane sugar, 1,700 tons more; tomatoes, which were almost entirely for export, 100,000 tons more. However, these bigger yields still were, in most cases, smaller than those in the years 1926, 1927 and 1928.

AREA UNDER IRRIGATION

Of Mexico's 131,000,000 hectares, only 14,000,000, or 7 per cent are considered suitable for cultivation, according to a new survey completed recently by the Banco de Mexico. Until greater areas are irrigated, the bank states, only 11 per cent of the national territory can be cultivated. Of the total area, 79.4 per cent depends upon rainfall, 9 per cent on humidity, and 11.6 per cent is irrigated. At a cost of 727,500,000 pesos, successive governments in Mexico have irrigated 608,379 hectares and thus increased by nearly 50 per cent the irrigated areas which existed prior to 1926. Of the 22,000,000 hectares distributed under Agrarian Reform Laws, only 4 per cent were irrigated lands.

Building Construction

The total investment in building construction in the Federal District (Mexico City) alone reached 159,300,000 pesos in 1944. This investment was more than twice that of 1940 and 70,000,000 pesos more than in 1943. Between January 1 and September 30, 1945, 160,800,000 pesos were spent on new buildings in the capital, or an average of 17,800,000 pesos per month. During October, 1945, the expenditure increased to 21,400,000 as compared with 20,400,000 in September.

Urban construction outside the capital was estimated (by Banco de Mexico, S.A., November 30, 1945) to have equalled that in the Federal District. New construction during 1945 may therefore be estimated at 410,000,000 pesos, half of it in the capital city.

Transportation

Lack of rolling-stock has greatly handicapped the movement of both freight and passengers during the cur-

rent year. Undoubtedly one of the reasons for increased prices throughout this country has been the additional costs and occasional losses in railroad transportation. The result is that truck transportation has even passed its previous high levels, but owing to the scarcity of tires, this type of transportation has been much more restricted than would have been the case if unlimited tires and gasoline were available.

Considerable valuable freight has likewise been brought in by air, although this form of transportation has naturally been restricted owing to its high cost. Several new airlines have commenced operation during the year, and increased services have been made available by the major American airlines.

On November 5, 1945, Carga Aérea, S.A. began aerial express and freight services on all national and international lines having Mexico City as a terminal or intermediate point.

A new air-line service was established under the name of Servicios Aéreos Nacionales. Operations were begun on October 8, 1945, on a route which gives services to several small communities in the coastal region of the States of Veracruz, San Luis Potosi, and Tamaulipas and connects with the central plateau at Pachuca, Hidalgo.

Industrial Conditions

LEATHER

By the end of 1945 the production of leather goods in Mexico had increased more than sevenfold since 1939. The domestic market was much larger during the war years, and the value of exports rose from U.S.\$19,500 in 1939 to more than U.S.\$1,000,000 last year. As compared with exports of 3,950 kilograms in 1940, exports in the first nine months of 1944 were 80,000 kilograms.

The articles covered by these figures are: wallets, purses, handbags, pocket-books, brief-cases, picture frames, book-covers, luggage, harness, holsters, belts and gloves. Footwear is not included.

TEXTILES

Production of the Mexican textile industry decreased from 490,000,000 metres in 1943 to 460,000,000 metres in 1944, but as 1945 opened, the industry was enjoying a boom which was expected to expand by March, 1945, to a record production total.

Exports of textiles also decreased in 1944, when they totalled 73,941,814 metres as against 76,866,046 metres in 1943. Average prices of fabrics and yarns rose by 20 per cent in 1944.

As compared with average monthly exports in 1944 of about 6,100,000 metres, Mexico exported 14,000,000 metres in January, 1945, 16,000,000 metres in February and 15,200,000 metres in March. Export markets, which until 1943 were centred in the Caribbean countries, now included Venezuela, Colombia, Ecuador, Peru, Chile and Bolivia and, as the year advanced, the United States absorbed some Mexican products.

The export market remained high until the end of the war in Europe and the Pacific. Between September and October, 1945, sales abroad decreased by 30 per cent. At the same time as these orders from abroad were being cancelled, the Mexican industry discovered that its production costs had increased to a point where both Brazil and Argentina were offering textiles at export prices lower than Mexican. The South and Central American markets particularly were affected.

In March, 1945, the Mexican Government increased its export quota to 96,000,000 metres from 72,000,000 metres annually, on the basis of an increased consumption figure of 250,000 bales in pre-war years to 330,000 bales in 1944. The price of cotton in Mexico had increased from 49.90 pesos to 95.16 pesos per 46 kilograms. Stocks totalling 76,600 bales in 1939 had increased to nearly 400,000 bales in the early months of 1945.

Production soared month by month, as the year progressed, until the end of the war. The export quota was advanced in September to 108,000,000 metres per year, of which 30 per cent

was to be unfinished and 70 per cent finished goods. The sudden heavy demand in the United States for cotton fabrics resulted in the July-September quota being exhausted at the beginning of July and in a 20 per cent increase in the price of coarse cloth. The price of fabrics had risen by 8 per cent in July as against June, and labour in the textile industry was asking for a further increase in wages above that of 22 per cent obtained in April.

At the same time as foreign orders placed during the war were being cancelled, domestic consumption of cotton fabrics fell in September to 35 per cent below that of September, 1944. By the end of the year the National Chamber of the Textile Industry insisted that domestic consumption was insufficient to keep the industry operating at capacity. Sales abroad in October were still 5 per cent above those of October, 1944, but domestic sales during that month decreased to one-half the October total in the previous year.

The loss of export markets and high production costs no doubt foreshadowed the new import tariffs published in 1946 to protect, above all, the cotton textile industry.

Production of artificial silk cloth decreased by nearly 20 per cent during August and September because of the cancellation of foreign orders. Supplies of the raw material were irregular, and had fallen steadily from more than 3,000,000 kilos in 1943 to 2,800,000 kilos in 1944 and an estimated 2,500,000 kilos in 1945. These figures compared with pre-war consumption of nearly 5,000,000 kilograms.

Mining

Production of metals and minerals in Mexico during 1945 may be expected to equal approximately that for 1944, when production was between 20 and 25 per cent less than in the record breaking year 1943. Available figures are for the period January 1 to July 31, 1945.

Costs increased between 1937 and 1945 by 148 per cent, the increase

including a total of 40 million pesos in wages and salaries paid by the industry annually, although in 1944 and 1945 an estimated 31,000 were employed as compared with 40,000 in 1937.

Anticipating less demand for metals, consequent upon the end of the war in Europe, mine-owners drew attention, in April, to a 5 per cent fall in the price of zinc. Effective September 1, the United States government withdrew subsidies to copper- and lead-producers at the Cananea and El Boleo mines. The Banco Nacional de Mexico estimated the effect of the loss of subsidy as equal to a reduction in price of the metals by three centavos. Simultaneously, the export market for zinc was affected by restoration by the United States Government of duties on foreign zinc, which had been lowered by 50 per cent.

Restoration of the open market price of Mexican silver from 45 cents to 71.11 cents (United States currency) in September, increased the value of coined pesos by about 140,000,000 pesos. In addition, the new market price represented an improvement of nearly 20,000,000 dollars for the 70,000,000 ounces produced in an average year. Of the increase of 26 cents per ounce, the Federal Treasury is benefiting to the extent of 17 cents. By October Mexican mines were looking for future markets in Germany, Great Britain, France and Belgium, all of which countries were pre-war purchasers from Mexico.

On November 1 all United States wartime contracts for ores and metals were cancelled. Zinc and copper were the most immediately affected, and sales of the latter fell before the end of the year by 80 per cent. Lead appeared to have been unaffected, since the demand was maintained, and the price advanced by one-half of one cent per pound.

Oil

The Government controlled Petroleos Mexicanos (Pemex) was stated by the Banco Nacional de Mexico (November

30, 1945) to be operating at a loss of between two and three million pesos per week.

Operating difficulties, as described by Pemex, have been lack of oil-field equipment and of technical assistance, and particularly lack of transportation, both national and international. During 1944, for instance, Pemex sales satisfied only 50 per cent of the domestic demand. Average monthly production on the oil fields was 3,500,000 barrels during 1939, 2,800,000 barrels in 1942 and 3,500,000 barrels in 1945.

Tourist Trade

Two hundred and five thousand tourists spent approximately 270,000,000 pesos (U.S. \$54,000,000) in Mexico during 1944. In 1943, which had been the peak year for tourist traffic, 207,000 visitors spent about 280,000,000 pesos (U.S. \$56,000,000).

Towards the end of 1945 it was estimated by the Tourist Bureau of the Mexican Ministry of the Interior, that tourist traffic would break the 1943 record. The end of the war in Europe and the increased availability of gasoline in the United States gave a noteworthy impetus to the movement of automobile tourists, and during the last three months of 1945 hotel accommodation in the major cities and tourist centres was practically unobtainable.

Automobile tourists entering Mexico through Laredo totalled 12,155 in the second quarter of the year as compared with 11,442 in the first quarter.

Forecast for 1946

In the view of the Government, Mexico has emerged from the war stronger economically and with a sufficient reserve of gold and currencies and has been justified in not attempting to revalue the currency, despite the fact that monetary circulation could have been reduced by revaluation. "Without the support of the reserve of the 376 million dollars of gold in the Banco de Mexico", the President has stated, "we would have been faced with the same demand, accumulated over more than three

years, for imports not satisfied and with a rate of exchange which would not have been consonant with the condition of our foreign trade. We would have been obliged to consider measures of devaluation or of exchange control or to restrict credit".

As the year opened, however, there was no indication that the amount of money in circulation would be reduced from its present high level. Two circumstances should lead to such a reduction: a further drop in exports, and the return of some 140,000 Mexicans who were employed in the United States in war industries. These latter earned 591,000,000 pesos in 1944, and their compulsory savings, apart from voluntary savings, amounted to 59,000,000 pesos. These remittances accounted in some measure for the increase in the issuance of bills by the Banco de Mexico.

Exports of foodstuffs no longer needed by the United States may lower food prices in Mexico this year. On the other hand, excessively high prices will be maintained unless the Government restrains those who control supplies and have profited during the war years. Inflated real estate values probably will return to normal only under the same conditions, that general inflation is arrested. The end of the war has not halted inflation, and public belief that its causes were not so much economic as moral and political has been strengthened. The purchasing value of the peso has fallen to about 40 centavos, and this loss has offset increases in salaries and wages.

Paralleling the probable decrease in exports, including metals, an increase in imports may be expected. Unsatisfied consumer demands are not as great as in those countries which actively participated in the war, but they are large enough to have caused import restrictions to be imposed on some articles. Financial publications have recently been discussing the possibility that the Government to be elected in July this year, if not the present Government, will review the present one-column Mexican tariff in order to protect the few local industries.

REORGANIZATION OF THE UNITED STATES DEPARTMENT OF COMMERCE

By W. D. WALLACE, *Assistant Commercial Secretary at Washington*

Readers who are familiar with the reorganized and expanding services now placed at the disposal of Canadian businessmen by the Department of Trade and Commerce, Ottawa, as announced in previous issues of the *Commercial Intelligence Journal* and in the press, will be interested in this abridged review of the reorganization that is taking place in the services offered by the United States Government to businessmen in that country.—Editor.

In September, 1945, the Secretary of Commerce, Henry A. Wallace, announced an operating and organization program for the Department of Commerce. The plan was designed to strengthen its leadership, to increase the efficiency of its operation and to provide business and government with more direct and effective services. The new program, designed to enable the Department to improve the volume and quality of its services to all business, recognizes the needs of small business for assistance to become established, prosper and expand.

Reorganization will be primarily in the Bureau of Foreign and Domestic Commerce. It is not intended to reorganize the Civil Aeronautics Administration, the Coast and Geodetic Survey and the Weather Bureau. The Bureau of Standard and the Bureau of Census will be little changed, but their work will be broadened to assist in the programs to be carried out by the newly created Office of Business Economics.

Objectives of Reorganization

Through the proposed reorganization, the Department of Commerce hopes to achieve the six following objectives:—

1. To promote foreign trade by giving all assistance possible to exporters and importers and by improving its foreign trade service.

2. To expand the work of the Census Bureau and make more statistical data available to business and government.

3. To provide an analytical program to give business and government current information on the economic situation and outlook.

4. To give business, especially small business, aid on technical, engineering and scientific problems.

5. To increase the number and quality of business aids to small and large business.

6. To increase support to the activities of the Weather Bureau, Civil Aeronautics Administration and the Coast and Geodetic Survey and make them as helpful as possible to the country's commercial and industrial life.

Reorganization of the Bureau of Foreign and Domestic Commerce

One of the most important features of the new program is the reorganization of the Bureau of Foreign and Domestic Commerce. At present the Bureau performs two types of functions: promotion and service to business, and research, fact-finding, and business and economic analysis. Under the reorganization, the Bureau will be expanded to do broader research, analysis and policy-formation work in the field of foreign and domestic trade and will be relieved of its promotional activities in order that it may concentrate on this central departmental function.

Prior to the war about 90 per cent of the work of the Bureau was devoted to foreign trade, while 10 per cent was given to domestic trade. During the war the normal work of the Bureau of Foreign and Domestic Commerce had to take second place to the emergency activities of the war agencies. However, the Bureau was able to perform valuable service for the war agencies and it co-operated closely with the Foreign Economic Administration and its predecessor, the Bureau of Economic Warfare.

The end of the war has resulted in the dissolution of many of the war agencies, and in September the Department of Commerce took over a substantial portion of the functions of the Foreign Economic Administration. This merger of part of F.E.A. with those sections of the Bureau of Foreign and Domestic Commerce dealing with foreign trade is a natural outcome of war activities and relationships.

The Office of International Trade will foster and promote the foreign trade of the United States. In addition to the promotion of trade interests in exports and imports, it is to encourage and facilitate the expansion and growth of international trade and promote the stability of international economic relations. The Office of International Trade is to co-operate with other nations in the solving of trade and exchange problems through international organizations and conferences and to assist other nations towards higher economic development as a means of stimulating United States and world trade. It is to facilitate United States participation in peacetime trade with former enemy and other areas in which normal elements of trade do not exist and to reduce obstacles to and restrictions upon international trade.

The Office of Small Business shall develop, promote and execute plans and programs for extending assistance to small business. It is to assist and encourage small business in the promotion of sound business policies, operating methods and production techniques to determine the cost of distribution and to evaluate specific trade practices of small business and to examine the financial and tax problems of small business. Assistance is to be given to veterans and others in evaluating new business opportunities, as well as to provide contract and technical assistance to small manufacturers. The Office of Small Business will represent small business with other federal agencies and will co-operate with

organizations in the development of local commercial and industrial opportunities and furnish independent business with available information for use in overcoming business obstacles.

The Office of Business Economics is to provide basic economic measures of national economy, current analyses of the economic situation and business outlook, and general economic research on the functioning of the economy, including co-operative research with business organizations, government agencies and university and research institutions. It is to develop basic economic and statistical indications and to provide a basis for policy formulation of the Department of Commerce with respect to government operation so far as they affect economic movements and tendencies.

The Department of Field Organization, under a Director of Field Operations, will have control of the organization and operations of the Regional Offices, which will be responsible for carrying out the field programs prepared by the Office of International Trade, Office of Small Business, Office of Business Economics, and Office of Domestic Commerce.

The Office of Domestic Commerce, in co-operation with industry and other government agencies, is to develop and carry out activities, programs and policies which will foster and promote domestic commerce. It is to aid in preserving the American free-enterprise system, to stimulate the profitable operation of industry and help achieve full and efficient production employment. Assistance is to be given to domestic industry and business in its problems relating to production, construction, marketing and transportation. The Office of Domestic Commerce will maintain close contact with trade associations and other groups representing industry, will assist domestic industry in its relations with other government departments and agencies and will advocate such government policies, procedures and laws as will stimulate industry and commerce.

TRADE OPPORTUNITIES IN FRENCH MOROCCO

With reference to the article entitled "Trade Opportunities in Algeria and Tunisia" in *Commercial Intelligence Journal* No. 2192 (February 2, 1946), Mr. J. P. Manion, Canadian Trade Commissioner, has now completed his survey of French North Africa and has reported to the Department concerning his visit to Morocco.

As in Algeria and Tunisia, Mr. Manion found importers in French Morocco very interested in Canadian products and a number of Moroccan firms expressed their desire to make representation arrangements with Canadian manufacturers. In this connection he emphasizes again that, since North African importers must state their source of supply when making application for an import permit, it is essential that Canadian exporters be represented in those markets.

Mr. Manion has supplied the Department with the names of firms and other business contacts in Morocco who either desire to handle Canadian goods or have volunteered to direct Canadian

inquiries to the most likely local concerns. If Canadian exporters interested in developing trade with Morocco will communicate with the Foreign Trade Service, Department of Trade and Commerce, Ottawa, the addresses of the most suitable contacts in that territory will be forwarded to them.

The following general classifications indicate the range of commodities required in French Morocco:—

Foodstuffs; textiles; chemicals; pulp, paper and products; wood and wood products; metals, ferrous and non-ferrous; metal products; complete hotel equipment; household utensils and equipment; refrigeration equipment; rubber products; office equipment; transportation equipment; agricultural machinery; equipment for hydro-electro plants; road-making machinery; port equipment; mining equipment and machinery; food-processing machinery; metal-working machines and machine tools; hand tools; radio equipment; ship's and fishermen's supplies.

PROPOSED COLONIAL DEVELOPMENT IN BRITISH AFRICAN COLONIES AND TERRITORIES

Mr. A. K. Doull, Assistant Trade Commissioner at Johannesburg, writes under date January 9, 1946, that a circular despatch, received from the United Kingdom Secretary of State for the Colonies by the various Colonial Governments, shows the allocations of funds provided under the Colonial Developments and Welfare Act, 1945. Allocations of interest to colonies in the African subcontinent were as follows:—

East Africa—	
Somaliland	£ 750,000
Kenya	3,500,000
Uganda	2,500,000
Tanganyika	5,250,000
Zanzibar	750,000
East Africa, general	3,500,000
	£16,250,000
Central Africa—	
Nyasaland	£ 2,000,000
Northern Rhodesia	2,500,000
Central Africa, general	1,000,000
	£ 5,500,000

South Africa—	
(Bechuanaland, Basutoland, Swaziland)	2,500,000
West Africa—	
Gambia	1,300,000
Sierra Leone	2,600,000
Gold Coast	3,500,000
Nigeria	23,000,000
	£30,400,000

Total allocations to all colonies throughout the world were £120,000,000, of which £23,500,000 was earmarked for central schemes, including research, £85,500,000 as allocations to colonial territories, and £11,000,000 to be held as a general reserve for supplementary allocations. These allocations do not constitute authority to spend but are the amounts within which it is proposed that individual schemes should be authorized. These amounts are to be spread over a ten-year period up to March, 1956.

BUSINESS CONDITIONS IN CEYLON IN 1945

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

One of the most marked features of the business year in Ceylon was the severe shortage of supplies of food-stuffs, cloth, and other essential goods. These deficiencies were made up to some extent by special releases from India and towards the end of the year limited shipments of rice from Burma were resumed. It appears that the supply situation will soon regain a degree of normality which has been absent for some time.

So far as equipment and materials have been available, Ceylon's industries have continued to operate satisfactorily, but little progress has been made in the establishment of new ones. Further expansion in industrial production seems likely in view of the heavy war-time accumulation of funds which are now seeking employment. The Government's plans for further industrialization of the Colony are also likely to take practical form in the fairly early future.

Foreign trade figures for the first ten months of the calendar year showed a large increase in value of imports, from Rs.414,828,000 to Rs.483,203,000. On the other hand, exports of Ceylon produce declined in value from Rs.522,278,000 to Rs.500,794,000. The index number of export prices continued to rise from the January figure of 180.9 and stood at 212.6 in October.

The cost-of-living index in October stood at 218 as compared with 100 for the six-month period November, 1938, to April, 1939.

Canadian trade with Ceylon continued in the early part of the year to show high values for imports into the Colony of war equipment and service supplies. With the gradual decline in such business and an eventual return to pre-war conditions, it is to be expected that Ceylon's shipments to the Canadian market of tea, rubber, coir products, coconut products, spices, etc., will show a large favourable balance over imports of all Canadian goods.

KOREA'S FOREIGN TRADE

(Condensed from an article in *Foreign Commerce Weekly*)

With the exception of that of British Malaya and the Netherlands Indies, Korea's pre-war trade was larger in value than that of any of the other smaller countries of Asia. In 1939 Korea's total trade (exports and imports combined) amounted to a value of almost one-fourth as much as the total trade—foreign and colonial—of Japan proper. Valued in United States currency, it amounted to more than \$620,000,000.

Perhaps the outstanding characteristic of Korea's pre-war trade was the steady and rapid growth in imports.

In less than three decades imports increased thirty-fold, until in 1939 they were valued at nearly \$470,000,000. This fact holds a good deal of significance in any study of Korea's potential economic development, for it emphasizes the result of Japanese activity, even though that activity involved ruthless exploitation of Korea for Japan's benefit.

INDUSTRIALIZATION

The industrialization of Korea began about 1930, bringing with it the establishment of textile mills, pulp and paper

mills, chemical plants, iron and steel mills and even a small machinery and tool industry. Particularly important was the development of hydro-electric power, consisting of at least six major power projects and a sizable number of smaller electric power plants. The development of Korea's industrial and power fields are of great significance because, according to present information, they remained practically untouched by the bombings during the war, and are now ready for operation either to provide for Korea's immediate needs or for the production of export commodities.

However, if industrialization is to continue, Korea's balance-of-payments position must be such that equipment needed for that industrialization may be imported. To the extent that exports are insufficient to pay for necessary imports, gold shipments, tourist and missionary receipts, and an inflow of capital (in all probability from sources other than Japan) may make possible continued imports of capital equipment.

IMPORTS

Two groups of commodities, namely, textiles and machinery, accounted for almost one-half of Korea's pre-war imports. In 1935 Korea's domestic production of about 175,000,000 square yards provided for considerably less than one-half of its textile needs. Establishment of additional textile plants may, however, lessen the volume of textile imports even if, as was the case in Japan, necessary raw materials must be imported. The volume of Korea's imports as compared with those of Manchuria—commonly regarded as Japan's continental centre of heavy industry—suggests that in Korea also progress was made in industrialization, perhaps to a greater extent than had been realized.

In 1941, only 1,850 passenger cars, 2,000 buses, and 3,000 trucks were registered in Korea. Some imports of

vehicles will be required both for replacement and for the development of highway transport facilities, and with the almost complete lack of a merchant marine under Korean registry, some vessels may be purchased.

Foodstuffs imported into Korea of interest to Canadian exporters would lie in the realm of barley, wheat and wheat flour. Net imports averaged about 60,000,000 pounds annually in the case of wheat flour and barley, and approximately 30,000,000 pounds annually in the case of wheat. Vegetables and some fruits were also imported from Japan.

Imports of lumber may be necessary, although less construction and perhaps more intensive exploitation of the better timber areas may make net imports comparatively small. Many manufactured products also must continue to be imported, at least until Korea's industrialization has proceeded further and purchase of such "luxuries" as tobacco may be resumed. These products will probably not bulk large, however, as the essential commodities are likely to dominate the trade.

TRADE PROSPECTS

In some respects trade with Korea, after the reopening of commercial channels, is certain to be facilitated. Port and transportation facilities of the peninsula are good; industrial establishments were not destroyed by war-time bombing or by military operations; and an independent Korea will be freed of economic controls imposed by Japan. It is, of course, too early to speculate upon the tariff and other foreign trade legislation which might be adopted by the Korean Government. But it may be pointed out that for Korea, because of regaining its independence (as with China because of the elimination of extraterritoriality), conditions surrounding commerce and foreign investments are substantially changed.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

IMPORTS DURING JAN.-NOV., 1945

Imports into the Argentine from abroad for the first eleven months of 1945 amounted to 3,749,000 tons as compared with 3,589,000 tons for the same period in 1944, a gain of $4\frac{1}{2}$ per cent.

Increases in imports were noted in the following: iron and derivatives, 91 per cent; other metals, 140; rubber, 121; machinery and vehicles, 48; chemical products, 48 per cent.

Brazil, the United States and Great Britain were the main sources of supply, although there were marked increases in imports from Sweden and Switzerland.

It is interesting to note that many trade publications dealing with the question of trade with the Argentine stress the importance of establishing commercial relations with that country now, as conditions are highly favourable for development of trade.

Brazil

RISE IN FOREIGN TRADE, JAN.-AUG. 1945

Brazilian exports and imports were both higher in value during the first eight months of 1945 as compared with the corresponding period of 1944, according to official trade returns. Exports for the period were valued at 7,328 million cruzeiros as against 6,707 million, and imports at 5,779 million as against 4,875 million cruzeiros. The increase in value of imports, it will be noted, was greater than that of exports, resulting in a smaller favourable trade balance.

Of Brazil's ten leading exports, shipments of coffee, cotton textiles, raw cotton, rubber, hides, skins and leather, castor seed, and tobacco were higher in value, while those of carnauba wax, cocoa and pinewood were lower. Among leading imports, there were substantial gains in wheat grain and flour, locomotives and other railway rolling-stock, gasoline, motor vehicles, coal, beverages, rails and accessories, and lubricating oils.

Burma

FOREIGN TRADE NOT YET REVIVED

The release of Burma from Japanese control has as yet been attended only by various steps to restore civil administration and a number of official moves to release exports of rice and encourage imports or urgently needed supplies for the restoration of government and municipal services and some public utilities. No ordinary import and export business has yet been revived, but it is likely that, with the return of European and Indian business interests, this country will again take its place among the industrial and commercial units of Southeast Asia.

Chile

DISCOVERY OF OIL

After searching for nearly half a century, oil has now been discovered in Chile at Springhill, near the town of Porvenir, on the coast of Tierra del Fuego. A boring sunk to a depth of 7,410 feet penetrated an oil-bearing stratum in which the initial pressure was sufficient to bring the oil to the surface, where it overflowed at an estimated rate of 200 litres per minute.

The official analyses of the samples of petroleum are stated to be very satisfactory. The natural oil is said to be light, rich in lighter fractions, capable of yielding a proportion of lubricants, and to be free from sulphur.

Sweden

COAL IMPORTS IN 1945

Sweden's imports of coal and coke in 1945 amounted only to 439,000 tons, which is a record low figure, according to the business news letter of the American-Swedish News Exchange Inc. Before the war Sweden imported about eight million tons a year, but the average annual imports during the war were only about half of that quantity. Shipments of coal and coke were received from Holland, Poland and the United States in 1945.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial and business centres of Canada in the interest of Canadian trade with their territories: Mr. Frederick Palmer, recently appointed senior Canadian Trade Commissioner to the Scandinavian countries (territory includes Sweden and Finland), with headquarters at Stockholm; Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark); and Mr. C. S. Bissett, formerly Commercial Secretary at Mexico City, who is to open an office early in 1946 at Caracas, Venezuela. Their itineraries as presently arranged are as follows:—

Mr. Palmer

Montreal—Feb. 25 to 28.

Mr. Bissett

Ottawa—Feb. 25 to 27.

Mr. MacDonald

Ottawa—Feb. 25 to 27.

Montreal—Feb. 28 to Mar. 6.

Ottawa—Mar. 7 to 12.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Ottawa, with the Department of Trade and Commerce; and for Montreal, with the Montreal Board of Trade.

REVIEW OF IMPORT CONTROLS ON PRODUCTS OTHER THAN FOOD

Import controls on food products were reviewed in the last issue of the *Commercial Intelligence Journal* (February 16, 1946).

Under Order in Council P.C. 460,

COMMODITY

Coal and coke

Bristles, natural
Manila, java or sisal fibres of all kinds and grades, and cables, ropes, twine or other cordage wholly or in part thereof

Clothing and wearing apparel, wholly or partially manufactured, composed wholly of cotton, n.o.p.
Handkerchiefs, wholly of cotton
Hides and skins, raw, whether dry, salted or pickled, and raw pelts
Unmanufactured leather

Effective February 1, 1946, the Minister of National Revenue authorized the issuance of General Permit G-2408 for the importation from any country of clothing, wearing apparel and

jute yarns, fabrics and bags were removed from import control as from February 12, 1946.

The remaining controlled imports are listed below.

NOTE

The number of the licence issued by the Coal Administrator must be shown on the Customs entry, but individual import permits are not required. Licences required by P.C. 3470.

Excerpt from item 654.

Excerpts from items 535, 535a, 535b, 535d, 535e, 537, 537a, 537c, 538, 538a, 539, 539a et al.

Excerpt from item 532.

Excerpt from item 532a.

Item 599.

Items 604, 604a, 604b, et al.

articles made from textile fibres in which the textile component of chief weight or value is other than cotton as specified, namely:—

NOTE

Knitted garments and knitted underwear, n.o.p. Excerpt from item 568.

Socks and stockings: (ii) n.o.p. Item 568a.

Gloves and mitts of all kinds, n.o.p. Item 568b.

Clothing and wearing apparel, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool or cotton, n.o.p. Excerpt from item 548.

- Clothing and wearing apparel, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, n.o.p. Excerpt from item 555.
- Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value Item 567.
- Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is synthetic textile fibres or filaments. Excerpt from item 567a.
- Quilts, counterpanes, bedspreads, comforters and other bed coverings; hassocks, pillows, cushions, including pin-cushions filled or not, cushion covers and similar articles; table cloths, napkins, tray cloths, dresser scarves, doilies and similar articles; bath mats, bathroom mats, seat covers, curtains, drapes, window runners, decorative panels and similar articles; automobile rugs, steamer rugs and similar rugs or coverings; canopies, awnings and tents; removable coverings for automobile and furniture upholstery; textile manufactures composed in part of embroidery or lace Excerpt from items 548, 555 et al.

Crude natural rubber, and crude synthetic rubber of neoprene, butyl and buna S types, including unmanufactured guayule and latexes not compounded beyond the addition of preservative but not including balata and gutta percha, is controlled by authority of the Rubber Controller.

Goods originating in Japan, the Japanese Empire or Manchuria or the growth, produce or manufacture of these areas are deemed controlled imports by authority of the Department of External Affairs.

Import controls will be reviewed periodically as amendments are made.

REGISTRATION OF TRADE MARKS

By A. K. DOULL, *Assistant Canadian Trade Commissioner at Johannesburg*

South Africa

Canadian manufacturers and exporters wishing to register their trade marks in the Union of South Africa must first furnish the Registrar of Trade Marks, P.O. Box 429, Pretoria, with an address for service in the Union. This can be done best through a registered patent agent practising in the Union, and it is accordingly unnecessary to go into the formalities to be complied with. A list of patent agents may be obtained by interested Canadian firms or individuals on application to the Foreign Trade Service, Department of Trade and Commerce, Ottawa (quote file No. 35339).

Costs of registration include £1 for application, cost of advertising in one issue of the Union Government *Gazette* and the actual registration, which is £2 per mark. Agents' fees are additional, of course.

As soon as possible after the application is received it is advertised in the *Gazette*, and after the expiration of two months following the date of the advertisement, the trade mark is entered on the Register.

Registration of a trade mark is for a period of fourteen years from the date of registration, but may be renewed from time to time on payment of prescribed fees.

Mauritius

Registration of trade marks in this British colony is made under Ordinances 18 of 1868 and 8 of 1913, of which no spare copies are available. These ordinances serve as a guide to the Customs Department in Port Louis, Mauritius, as well as to the public for any registration of trade marks. Registration is perpetual and does not require renewal at any time. The registration fees are Rs.10.

Canadian firms wishing to register trade marks in Mauritius would be advised to communicate first with the Canadian Government Trade Commissioner, P.O. Box 715, Johannesburg, South Africa.

Belgian Congo

Applications for trade mark registrations in the Belgian Congo may be addressed to the Ministry of Colonies at Brussels, or to the "Services des Affaires Economiques du Gouvernement General" at Leopoldville, or to the "Service Provincial des Affaires Economiques" at Elizabethville. If the

applicant is not present, an open power of attorney must be supplied which will remain attached to the registration record.

Information concerning the type of industry or trade in which the mark is to be used must be supplied. A charge of 375 francs must be paid at the time of application. The applicant must also supply: (1) eight copies of a drawing of the mark and the drawing must be made in a frame not larger than 8 centimetres long by 10 centimetres wide; (2) a metal stamp of the mark not to exceed the dimensions of the frame mentioned above.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Order in Council P.C. 467, effective February 12, 1946, thorium and its derivatives, n.o.p., included in Group 6 (Non-ferrous Metals and their Products), is added to Schedule 1 of Order in Council P.C. 7674 of October 4, 1941, and exportation is prohibited except under permit issued by or on behalf of the Minister of Trade and Commerce.

By Export Permit Branch Order No. 137, effective February 12, 1946, export permit control is reimposed on shipments of thorium manufactures (including incandescent mantels), and the exemptions previously established in respect of thorium and mesothorium salts and compounds are cancelled, so that an export permit will be required for these commodities when shipped to any destination.

Australia

IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Canadian Trade Commissioner at Sydney, writes under date January 14, that the Division of Import Procurement, Department of Trade and Customs, has, with effect from January 2, 1946, materially reduced the restrictions affecting goods produced or manufactured in the sterling area.

The relaxations apply to four groups of commodities as follows:—

1. Items previously prohibited import from sterling sources, which are now freely admissible without licences.
2. Items formerly subject to administrative control, which are now exempt.
3. Items formerly prohibited, but now subject to administrative control.
4. Items formerly on quota, which are now freely admissible without licences.

Included in the list of commodities affected are many items classifiable as hardware, agricultural implements, electrical appliances and accessories, commercial chemicals and processing materials, and softgoods articles. The products affected are as follows:—

1. ITEMS PREVIOUSLY PROHIBITED IMPORT FROM STERLING SOURCES, WHICH ARE NOW FREELY ADMISSIBLE WITHOUT LICENCES

Lime juice; aerated or mineral waters; glucose; biscuits; wax candles; grain and pulse classifiable under Tariff Item 58 (D); malt extract; rennet; salt, other than table salt; starch flours; non-metallic buttons, other than glass or tinsel; woven and embroidered materials; articles of natural or imitation hair; absorbent cotton wool, wadings, braids, fringes or edgings of textile materials, not for attire; gold leaf; welded conduit pipes and tubes and close-jointed iron steel pipes and tubes; lawn-mowers; chaff-cutters and horse gears; corn-shellers; corn-huskings; cultivators, n.e.i., etc.; discs for

agricultural implements; laundry machines and appliances, other than household type; electric radiators and toasters; electric human-hair dryers; electric fans, other than household type; electroliers, gasoliers, chandeliers, etc.; wireless receivers, parts thereof and accessories therefor; dry batteries; wall, stand or table lamps; electrolytic condensers; smoothing irons; hand fire-extinguishers; lamp glassware, other than cut glass; electrical insulating sheets; household ornaments of chinaware, earthenware, etc.; seltzogenes; glassware classifiable under Tariff Item 250 (C)(2); heat-resisting glassware for cooking purposes; naphtha; cresylic acid; insecticides and disinfectants; arsenate of lead; veneers; home kinematographs; spectacle cases; chamois leather; wrapping-papers; playing-cards; containers, printed or embossed, show-card boards, etc.; account books, etc.; bicycles, tricycles and similar vehicles; musical instruments classifiable under Tariff Item 366 (A); hair and clothes brushes; tooth, scrubbing, paint and varnish brushes; oil or water colours for public galleries; works of art for public institutions; live animals, except horses, for other than stud purposes; flower seeds, except sunflower.

2. ITEMS FORMERLY SUBJECT TO ADMINISTRATIVE CONTROL, WHICH ARE NOW EXEMPT

Type metal; linotype metal; anti-friction and plastic metals; platinum; zinc and spelter; prepared plates for engravers and lithographers; cast iron pipes from 2 to 6 inches internal diameter; cast iron fittings for pipes from 2 to 6 inches internal diameter; dairy coolers; pasteurizers, vats, churns, cheese presses, etc.; electric heating and cooking appliances classifiable under Tariff Item 179 (A)(5); static transformers, condensers other than electrolytic; telegraph and telephone cable wire; bifurcated rivets; eyelets and eyelet hooks; incandescent mantles; miners' safety lamps; saws classifiable under Tariff Item 215 (B)(2); aluminium powders; graphite or plumbago; magnesia; magnesium chloride and magnesium carbonate; vacuum flasks; crown corks and other bottle stoppers; sandarac, mastic and other dry gums classifiable under Tariff Item 254 (A); cements and prepared adhesives; saccharin; pyrethrum flowers; liver extracts; chronometers, microscopes, compasses, etc.; gummed paper; cover paper and pressings; filter paper and litmus paper; wheel rims for cycles, motor cycles and sidecars; scientific instruments and apparatus for use in universities, public hospitals, etc., and which are not produced in Australia; thermostats and mathematical instruments; kapok; ores; clays and mineral earths.

3. ITEMS FORMERLY PROHIBITED BUT NOW SUBJECT TO ADMINISTRATIVE CONTROL

Knitted and lockstitched goods (piece); silk piece-goods classifiable under Tariff Item 105 (D)(2); apparel; furs and other skins

and articles made thereof; hats, caps and bonnets; socks and stockings; linen towelling for the manufacture of art needlework, bunting, glass sheet, viz., figured, rolled, cathedral, etc.; articles for indoor and outdoor games; toys; pianos; oil and water colours classifiable under Tariff Item 410 (B)(3); plants, trees and bulbs, including orchids and other cut flowers.

4. ITEMS FORMERLY ON QUOTA WHICH ARE NOW FREELY ADMISSIBLE WITHOUT LICENCES

Non-medical spirituous preparations, viz, essences, extracts, fruit juices and syrups, etc.; vanillin; non-spirituous flavouring essences; flypapers; non-spirituous essential oils; essential oils for the manufacture of perfumes; brushes classifiable under Tariff Item 381 (D)(4).

British Guiana

DUTY REDUCED ON SKIMMED MILK POWDER

Mr. T. G. Major, Canadian Trade Commissioner at Port of Spain, writes under date February 11 that, according to information released to the press on February 9, the Legislature in British Guiana has amended the Customs Duty Ordinance to permit the importation of skimmed milk powders free of duty from Empire sources, and at the specific rate of 50 cents per 100 pounds under the general tariff.

The former duties were \$10 per 100 pounds under the British preferential tariff and \$30 per 100 pounds under the general tariff.

British West Indies and Newfoundland

IMPORT LICENCES REQUIRED FOR CLEARANCE OF TEXTILES AT DESTINATION

With reference to the notice appearing in *Commercial Intelligence Journal* No. 2190 (January 19, 1946), page 63, re relaxation of controls on textile exports to Newfoundland and the West Indies, it is necessary for Canadian exporters to bear in mind that, while import licences are no longer required to ensure the issuing of export permits, valid import licences are still required for the clearance of goods at port of destination. The absence of a valid import licence may lead to the confiscation of a shipment.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date

of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

9. *Bolivia*—Linale & Weiss, Casilla 216, La Paz, Bolivia. This firm, well reported on, has expressed interest in establishing connections with Canadian firms interested in exporting to Bolivia the following items:

Drill steel for mines, hollow and solid, from $\frac{7}{8}$ inch to $1\frac{1}{4}$ inches; cutlery; aluminium and stainless steel household supplies; bicycles; paints; paint spraying equipment.

All communications should be sent by air-mail.

File: C.E. 201.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the selling rate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Feb. 11	Nominal Quotations Feb. 18
Argentina ..	Peso	Off. .3282	.3282
		Free .2696	.2696
Australia ..	Pound	3.5522	3.5520
Belgium and Belgian Empire ..	Franc	.0251	.0251
Bolivia ..	Boliviano	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	.9250	.9250
Brazil ..	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile ..	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia ..	Peso	.6282	.6282
Cuba ..	Peso	1.1025	1.1025
Czechoslovakia ..	Koruna	.0220	.0220
Denmark ..	Krone	.2296	.2296
Ecuador ..	Sucre	.0816	.0816
Egypt ..	Pound	4.5538	4.5538
Eire ..	Pound	4.4400	4.4400
Fiji ..	Pound	4.0090	4.0090
Finland ..	Markka	.0081	.0081
France ..	Franc	.0092	.0092
French North Africa ..	Franc	.0157	.0157
French Pacific ..	Franc	.0222	.0222
Haiti ..	Gourde	.2205	.2205
Hongkong ..	Dollar	.2775	.2775
Iceland ..	Krona	.1702	.1702
India ..	Rupce	.3330	.3330
Iraq ..	Dinar	4.4400	4.4400
Italy ..	Lira	.0111	.0111
Jamaica ..	Pound	4.4400	4.4400
Mexico ..	Peso	.2268	.2268
Netherlands ..	Florin	.4153	.4153
Netherlands West Indies ..	Florin	.5842	.5842
New Zealand ..	Pound	3.5698	3.5698
Norway ..	Krone	.2220	.2220
Palestine ..	Pound	4.4400	4.4400
Peru ..	Sol	.1709	.1709
Philippines ..	Peso	.5512	.5512
Portugal ..	Escudo	.0444	.0444
Spain ..	Peseta	.1009	.1009
Straits Settlements ..	Dollar	.5180	.5180
Sweden ..	Krona	.2627	.2627
Switzerland ..	Franc	.2563	.2563
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4400	4.4400
United Kingdom ..	Pound	4.4400	4.4400
United States ..	Dollar	1.1025	1.1025
Uruguay ..	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela ..	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS.—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Sweden, Denmark, and Finland.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

OTTAWA, MARCH 2, 1946

ECONOMIC CONDITIONS IN PERU

By C. J. VAN TIGHEM, *Assistant Commercial Secretary, Canadian Embassy at Lima.*

[One Peruvian sol (S/1.00) at the current rate of exchange is approximately equivalent to 17.1 cents Canadian; one metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds; one quintal equals 101.4 pounds; one hectare equals 2.47 acres.]

Peru faces the future confident that her economy, which did not suffer appreciably during the war, will continue to show improvement. The former Peruvian Minister of Finance, addressing the Senate on November 15, brought an optimistic message on the condition of Peruvian economic affairs. He stated that government revenues are increasing, tax collections in the first ten months of 1945 having exceeded estimates by S/2,119,528, and were greater by S/17,870,691 than for the first ten months of 1944. Tax receipts issued for the first nine months of the year exceeded budget estimates by S 25,746,298. Customs revenues in October established a new high record, and during that month there was a constant increase in the amount of foreign exchange available, which permitted of greater liberality in granting import permits. In view of this, by Supreme Decree of November 6, the Government established a Committee of Regulation of Foreign Commerce in order to unify, centralize and simplify the control of imports, exports and exchange, which had formerly been under separate committees.

The present Government has stated its intention of re-establishing the foreign credit of Peru, seriously affected by the suspension during the past fourteen years of interest and amortization service on national and municipal loans. In accordance with this policy, the former Minister of Finance visited the United States in November, as head of a financial mission, where meetings were held with the Foreign Bondholders Protective Council, representatives of United

States holders of Peruvian bonds and with officials of the United States Export-Import Bank. Peruvian bonds in default as of July 31, 1945, totalled \$92,602,584 (S/601,916,796), on which accrued interest from 1931 totalled \$78,830,348.54 (S/512,397,284.92). This includes certain sterling bonds, the value of which has been converted to dollars in order to simplify the figures. The total foreign debt in default, including interest arrears, is therefore S/1,114,314,060.92.

As a result of the meetings in Washington and New York, a tentative agreement with regard to renewal of interest and amortization payments has been reached, which requires ratification by the Peruvian Government. Approval of these terms will automatically result in formal acceptance by the Foreign Bondholders Protective Council and the granting of a new \$30,000,000 loan by the Export-Import Bank for Peruvian industrial development. Primarily the new loan will be used for the completion of the Chimbote industrialization project, including the construction of iron and steel works. The Senate has already voted confidence in the agreement, and it was generally considered that Congressional approval would follow automatically. However, the Cabinet has since been changed, and it is now uncertain what action will be taken with regard to the foreign debt.

As a first step to serve as a guarantee to the bondholders committee, an appropriation of S/22,750,000 has been provided in the 1946 budget estimates.

In addition to this improvement in the foreign credit position of Peru, the former Minister directed attention to increased prices of export products such as sugar, wool and silver; the decline in the black market for exchange; large-scale purchases by the United States Government of certain products, the exportation of which had recently been initiated, and similar purchases to be made for UNRRA; repatriation of capital as a result of returning confidence in the stability of the Peruvian Government; and an increase in tourist trade.

Labour Conditions

Labour conditions have been fairly satisfactory, although there have been a series of demands for higher wages, resulting from the increased cost of living. Apart from a one-day general strike in the Lima-Callao district in October, there have been no major disturbances, although there is an undercurrent of unrest. In March, a 15 per cent increase in wages of textile workers, based on advances in the cost-of-living index and allowance of time-and-a-half for overtime were granted, both retroactive to January 15. There were moderate increases also in the minimum wages of certain mine-workers and those employed in the construction industries in Lima and in the salaries of white-collar employees in the provinces. In December a Supreme Decree was promulgated by the Government, obligating all business firms in Peru to pay one month's salary to employees and fifteen days' wages to workmen as a "victory bonus", consequent upon the successful termination of the war. It has been estimated that the bonus will cost commerce and industry in the country over S/30,000,000. Although labour costs have risen and are continuing to rise and there are undercurrents of unrest, conditions are satisfactory as compared with those in other parts of the world to-day.

Building

During the past few years construction in Lima and the surrounding area has been at a high level and showed no signs of declining during 1945. It has been slowed up, due to shortages of plumbing equipment, constructional steel and electrical supplies, but not sufficiently to stop operations. The work of tearing down old residences in the centre of Lima and replacing them with modern office and apartment buildings has continued. Building in the suburbs is confined chiefly to residences, and there has been some decline in this type of construction during the past few months because of the uncertainty with regard to the trend of prices of materials and probable government action. All new urbanization schemes were suspended recently until further notice in order to conserve land for the cultivation of foodstuffs and to stop speculation. During the year, work was begun on several buildings costing over five hundred thousand dollars, and one project recently announced by the largest oil company in Peru includes the building of a new town, the estimated cost of which will be around \$1,500,000.

Agriculture

Agriculture is still the most important industry in Peru and employs a large majority of the people. About 3,715,000 acres are cultivated in the irrigated coastal lands and in the mountain regions. The most important crops are cotton and sugar, which are exported all over the world.

COTTON

Up to the end of October, 1945, sales of cotton amounted to 1,212,093 quintals, which is a considerable increase over those for the same period in 1944, which amounted to 1,081,584 quintals. The principal types of cotton grown here are Tanguis, Pima, Acala and Semi-áspero, Tanguis being by far the most important. There was little change in the price for Tanguis cotton during

1945, but the price of Pima showed a favourable increase. Shipments are the highest since 1941; up to October 31 they amounted to 927,040 quintals as compared with 441,439 quintals for the same period in 1944. The results of the 1945 crop were generally satisfactory except in the northern districts of Piura, where damage by disease amounted to about 25 per cent. Leading outlets for Peruvian cotton during the first six months of 1945 were Switzerland, which took about 20 per cent of the total, British India, the United States, and Venezuela in that order; Colombia, Chile, the United Kingdom, and Cuba were also important buyers.

SUGAR

The sugar crop was good, although rainfall was late and there was some scarcity of water in the coastal valleys west of the Andes, in which the plantations are situated and which are dependent upon irrigation, water supply being obtained from the precipitation in the mountains. The labour situation on the plantations was unsatisfactory, and constant demands were being made on employers.

Production of sugar in 1945 is estimated at 420,000 metric tons, an increase over the figures for both 1944 and 1943, and approximately the average of production for the past nine years. Export prices were the best in the past ten years, reaching a high point of U.S.\$8.25 per quintal in December, 1945. The average price of U.S.\$5.97 per quintal for 1945 compares very favourably with the 1944 average of U.S.\$3.51 and U.S.\$2.86 for 1943, and the outcome of last year's crop is most satisfactory to local producers.

WHEAT

Although there is a considerable amount of wheat grown in the Sierra region of Peru, most of it is consumed by the local population, so that deliveries to the mills in Callao and Lima are small. The limited volume of deliveries is indicated by comparison

of the 1944 figure of 911 tons with the 290 tons received at the mills from this source up to July 31, 1945. This means that Peru has to depend largely on outside sources, Argentina being the chief supplier in normal times. During the past few years Australia has sent substantial amounts, and small ship-loads have been delivered from Canada in the past year. A serious shortage was experienced during 1945, and at one time the local mills were on the point of shutting down, due to lack of supplies. This same condition prevails at present, with one of the major mills closed and another closing. It is feared that, unless more wheat is obtained in the next few months, there will be a serious shortage of bread in Peru. The Government is making every effort to obtain supplies before this condition is reached.

WOOL

Reports on the new clip of both sheep wool and alpaca indicate that fleece is generally in fine condition and prospective production up to standard. In recent years the United States has been the principal buyer, but the United Kingdom is now taking most of the alpaca clip. The bulk of the sheep wool is still going to the United States. In many areas the method of clipping is still antiquated, but the Junta Nacional de la Industria Lanar gives regular attention to the improvement of flocks, and stock is imported regularly from Chile and Argentina and, in normal times, occasionally from the United Kingdom.

FLAX

Flax, which was first produced in Peru on a commercial scale in 1939, has now become one of the commercially important crops. Experience has shown that, while a good-quality flax can be grown in the Sierra, it will not do well in the coastal areas. Up to the present the United States Commercial Corporation has purchased most of the fibre and tow, but their purchasing agreement will soon expire. The

local product will then have to compete in world markets. A yield of 800 tons of fibre and 1,850 tons of tow resulted from the 6,500 hectares planted in the last crop year. Flax-spinning mills turning out a substantial quantity of linen yarn are in operation in Lima and the Huancayo district. The linen yarn has found a ready market in the United States.

Mining

The increased activity in the mining industry, brought about by the war, is being well maintained in most lines, and the Government has recently expressed its intention of revising mining legislation with a view to encouraging the investment of more local and foreign capital. This also applies to the petroleum industry, in which some new concessions have already been granted to foreign interests.

The outlook for gold mining in Peru is said to be promising, as indicated by current exploration and development by companies already established. One company, organized in November, 1944, through the merging of four Peruvian companies, has completed the construction of a flotation plant with a daily capacity of 200 metric tons. Production started in December, 1944. This company is also actively exploring and developing other gold mines, all situated along the coastal gold belt of Southern Peru. Substantial ore reserves have been blocked out at these mines, and plans have been made to put them on a production basis when equipment and supplies are available. Details of the mineral production in the country for the past five years, recently published, are as follows:—

Peruvian Mineral Production

	1940	1941	1942	1943	1944
			Figures in Tons		
Copper bars	33,678	28,289	29,473	28,215	26,888
Copper	10,287	8,533	6,859	5,192	5,508
Lead	50,439	50,407	44,881	47,810	52,501
Zinc	29,467	22,053	23,507	30,122	47,529
			Figures in Kilograms		
Gold	8,798	8,870	8,013	6,209	4,808
Silver	602,353	470,255	498,745	455,969	492,444

Vanadium production can be expected to increase because of greater output from the new S/4,000,000 plant.

COAL

Coal fields, producing an anthracite coal which compares favourably with the Pennsylvania product, are situated in northern Peru, near Chimbote. Much work has been done in this section, with the result that a modern coal-working plant with a productive capacity of 500 tons daily is now in operation. Having been completed at the beginning of 1945. In view of successful shipments to Chile and Argentina, it is hoped that these will be increased when ships become more plentiful and thus supply the bulk of South American requirements.

Fishing

The great potential fishing grounds along the coast of Peru are being exploited to a small extent. A few canning and curing plants have been established, and a ready outlet for their products has been found in the United States and in other South American countries. Production figures for 1942 to 1944 inclusive are as follows:—

Peruvian Fish Production

	1942	1943	Jan.-Nov., 1944
	Tons	Tons	Tons
Fish livers	320	533	660
Fresh salt fish .....	...	193	1,527
Canned fish	60	755	743
Fish fillets	51	270	182
Dry salted fish	99	13	35
Total	530	1,764	3,147

Tuna and bonito are the basis of the canning industry in Peru. There

are at present seven large canneries engaged in this industry, and plans have already been made for at least two more to be constructed during the present year. It is estimated that the exports of canned tuna and bonito during the season 1945-46 will reach 300,000 to 400,000 cases, each containing 48 half-pint cans, with a value of between two and three million dollars.

Wholesale and Retail Trade

Conditions have been favourable throughout 1945, despite the fact that a strict system of import control and exchange has been in effect since March 1, 1945. Since that date all imports must be covered by import licences, which are granted freely in practically all cases where the merchandise to be imported is considered essential to the economy of the country. Such articles include machinery, trucks, foodstuffs, raw materials, etc. It is apparently the policy of the Government to continue such restrictions with a view to eliminating completely the importation of luxury items such as jewellery, furs, ladies' dresses, textiles and liquors. Certain merchants find themselves in the position of having been able to obtain import licences for their merchandise, but the covering exchange has been refused by the Exchange Board. In such cases they had no alternative but to purchase dollars on the street at rates considerably above those fixed by the Central Reserve Bank. The official exchange rate is S/6.50 to U.S.\$1 selling, with buyers offering S/7 per dollar.

Comparative official statistics for the month of November, 1945 and 1944, covering wholesale prices, are as follows (1934-36=100):—

Peruvian Index of Wholesale Prices, November, 1944 and 1945

	National Prod. Con- sumed	National Prod. Ex- ported	Imported Products	Food- stuffs	Other Materials	General Index
November, 1945	212.2	201.1	275.9	218.3	252.6	236.1
November, 1944	191.0	197.1	280.4	200.1	252.2	227.0

The general index has shown an increase, as compared with November, 1944, of 9.1 points.

Public Works

On May 24, 1945, the President of the Republic formally opened the new 920-metre pier, hospital sanitation installations and various public works at the Port of Chimbote, Peru, the cost of which is estimated at U.S.\$2,500,000.

A national housing program was announced by the Government on September 28, to be carried out on an extensive scale in Lima, Callao and other cities. Typical of the seven projects now planned is one which will cover an area of thirty hectares with accommodation for 1,000 families; it will include park areas, separate schools for girls and boys, sports field, church recreation centre, marketing and commercial centre, and a theatre and restaurant.

Public construction in Peru includes the nearly completed Military Academy at Chorrillos, costing S/10,000,000, a new S/5,000,000 market in Lima, a community centre at Callao for municipal employees and two for government employees—one at Lima and one at Callao—new main building for the National Library, a series of new buildings at "Jorge Chavez" Military Aviation School at Las Palmas, new Nursing School adjacent to the Arzobispo Loayza Hospital, Lima, a new School of Engineers building, and Peruvian Museum of Military History.

New Corporations

New corporations (Sociedades Anónimas) formed during the first four months of 1945 numbered 167, with a total capital of S/41,689,000. Average capital per corporation is S/246,500. This number on an annual basis shows a somewhat smaller rate of incorpora-

tion as compared with the 524 new businesses chartered in 1944. But, taking the first part of 1945 together with

1944, the rate of incorporation of new businesses is 50 per cent greater than for any of the four pre-war years 1936-39, and the average capital has increased by roughly 300 per cent.

Security Exchange

The stock market, as indicated by the general index of shares, showed an upward trend in September, when the index stood at 240·7, having risen from 238·4 in August. In January the general index stood at 217·3, increasing to a high of 245·5 in April, then falling off to 232·2 in July, after which it regained its present level.

In September the bond market remained practically unchanged from the

preceding month, with the general index at 105·8, although there is a reduction from last year's figure at the same time, when the general index was 107·8.

Cost of Living

Official statistics for the month of November, 1945, show the cost-of-living index at 208·20, an increase of 0·55 points over the figure for October, 1945, and of 20·02 points over that for the same month in 1944 (basis 1934-36 equalling 100). Gains have been recorded during the year for food-stuffs, from 194 to 216; rent, from 162 to 178; clothing, from 241 to 263; and sundries, from 156 to 172.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial and business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia); and Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark). Their itineraries as presently arranged are as follows:—

Mr. MacDonald

Montreal—Mar. 4 to 6.
Ottawa—Mar. 7 to 12.

Mr. Mutter

Montreal and district—Mar. 4 to 15.
Quebec City—Mar. 16.
Kingston and Brockville—Mar. 18.
Oshawa—Mar. 19.
Toronto and district—Mar. 20 to 30.
Windsor and district—Apr. 1.
London and St. Thomas—Apr. 2.
Hamilton and district—Apr. 3 to 5.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Ottawa, with the Department of Trade and Commerce; for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers' Association; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

BUSINESS VISITS TO THE WEST INDIES AND SOUTH AMERICA

Air Travel to British Guiana

Mr. T. G. Major, Canadian Trade Commissioner at Port-of-Spain, Trinidad, has advised this Department, under date February 13, 1946, that Canadian visitors travelling to the British West Indies and South America by air and planning to include Georgetown, British Guiana, in their itineraries, should take note of the fact that

this port can only be reached by way of the British West Indian Airways from Piarco Airport, Port-of-Spain. The service comprises two flights each way on Sundays and Thursdays, using planes carrying eight passengers each.

These planes land in British Guiana at the Mackenzie Airport, about 80 miles up the Demerara River from Georgetown, and from that point six

passengers only are ferried by an amphibian aeroplane to Georgetown. The other two passengers must use the river steamer, stopping overnight in a rest house at Mackenzie.

As the passenger traffic is heavy, businessmen intending to visit Georgetown should book their passages before arriving in Trinidad.

Occasionally steamer passage between Port-of-Spain and Georgetown may be obtained, but such services are very irregular.

Necessity of Reservations

Owing to the difficulty of securing transportation between New York and Miami during the tourist season, which is now at its height and will remain active for the next month or two, Canadian businessmen planning visits to Latin America or the West Indies via Miami should take the precaution of securing complete accommodation to Miami before leaving Canada. This applies to both air and rail travel.

JAPANESE EXPORT TRADE, 1928-37

Following are tables summarizing the principal exports of domestic produce of Japan proper and Karajuto to China and Hong Kong, and to Korea and Formosa (Taiwan) during the ten-year period 1928 to 1937. Exports of the produce of Korea, Formosa, Kwantung and Manchuria are not included in the figures of exports to China and Hong Kong. The data for trade with China and Hong Kong have been grouped in one table, since a large part of imports into Hong Kong is destined for China.

A similar analysis for Kwantung and Manchuria will be published in a later issue.

In cases where figures for some commodities listed in these tables are not given, either the information is not available or they are included with other items elsewhere. The absence of separate figures for one period or the

other does not necessarily mean that there was no exportation of these commodities.

During the period covered by these tables the exchange rate of the Japanese yen changed as follows: 46 cents in 1928, 49 in 1931, 31 in 1932, and 29, cents in 1933, from the last of which it varied only slightly up to 1937.

Indicative of the trend of Japanese export trade during the ten years of this tabular survey are the following figures of Japanese exports to Empire and other areas:—

	5-Year Average 1928-1932	5-Year Average 1933-1937
	Millions of Yen	
Empire, total	543.8	1198.8
Korea	273.2	544.3
Formosa	127.6	205.9
Kwantung	101.5	312.1
Manchuria	41.5	136.5
Total	2030.3	3230.3
Other areas	1486.5	2031.5

TABLE 1

Japan's Exports of Domestic Products to China and Hong Kong, 1928-1937

Note.—100 kin (1 picul) equals 132.27 pounds

A. EXPORTS TO CHINA

	Average 1928-32		Average 1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Wheat flour	8,696	1,777,929	3,908	380,461
Aquatic products	5,005	528,442	4,667	494,445
Sugar, refined	18,114	2,214,574	7,407	1,097,896
Citrus fruits, in tins .....	....	....	54	2,310
Beer	843	Gallons 450,000	678	Gallons 689,000
		100 Kin		100 Kin
Pottery, total, exclusive of fire brick	1,357	....	1,128	....
Pottery, domestic use .....	....	....	702	....
Producers' pottery goods .....	....	....	459	....
Glass and glass mfrs.	1,756	....	1,221	....

Japan's Exports of Domestic Products to China and Hong Kong—Conc.

	Average 1928-32		Average 1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Cement	516	391,142	257	355,103
Soda ash .....	.....	.....	201	46,706
Caustic soda .....	.....	.....	396	45,423
Soap	328	.....	404	.....
Machine oil .....	.....	.....	230	42-Gal. Bbl.
Dyes	646	M. Tons	2,932	M. Tons
Iron, excluding ores	1,568	1,913	7,236	4,315
Iron bars and rods	287	18,231	1,410	59,858
Iron plates and sheets	420	2,897	2,509	14,508
Iron rails .....	.....	2,784	368	15,135
Pipes and tubes	177	1,071	457	3,166
Other metals ¹ .....	.....	100 Kin	10,340	2,805
Copper wire	278	.....	999	828,393
Brass	1,051	6,032	1,289	21,628
Steam vessels	996	Units	89	30,824
Automobiles .....	.....	4	551	Units
Motor car parts .....	.....	100 Kin	2,065	372
Electric machinery	443	.....	1,262	100 Kin
Electric motors, etc. ....	.....	8,626	984	.....
Telephone instruments	116	.....	558	18,647
Telephone instruments parts .....	.....	.....	137	14,290
Radio sets .....	.....	.....	605	.....
Electric wire, insulated	1,136	25,529	1,831	41,860
Cycles and parts	917	.....	4,290	.....
Lamps and parts	920	.....	536	.....
Machinery, parts and accessories	5,041	.....	14,208	.....
Machinery, metal and wood-working	81	2,530	124	7,233
Spinning machines	3,154	84,932	8,895	235,399
Spinning machine parts .....	.....	.....	7,341	160,836
Weaving machinery .....	.....	.....	3,023	111,752
Pumps	57	1,114	193	3,417
Other machinery .....	.....	.....	3,555	.....
Railway accessories .....	.....	.....	15	.....
Iron manufactures ²	1,934	.....	2,325	.....
Softwood logs and cants .....	.....	.....	988	M Bd. Ft.
Sawn softwood .....	.....	.....	103	26,000
Plywood	44	M Sq. Ft.	350	1,170
Papers, total	13,779	858	6,373	M Sq. Ft.
Printing paper	8,692	100 Kin	3,200	9,657
Cotton cloth, total	95,132	1,000 Sq. Yd.	13,936	1,000 Sq. Yd.
Cotton cloth, grey	16,813	385,495	3,016	62,229
Cotton cloth, bleached	12,420	83,365	3,936	14,054
Cotton cloth, other	65,899	61,881	6,983	22,482
Wool fabrics, including mixture	963	240,249	3,029	25,692
Wool serge .....	.....	.....	2,468	2,742
Rags	592	100 Kin	711	1,987
Staple fibre ³ .....	.....	44,184	1,902	76,950
Staple fibre yarns ³ .....	.....	.....	769	26,323
Artificial silk	1,593	13,082	2,054	7,077
Woollen and worsted yarn articles	505	2,594	2,194	19,603
Woollen knitting yarn .....	.....	.....	788	7,309
Woollen or worsted yarn .....	.....	.....	2,680	2,053
Hats, caps, etc.	828	1,000 Doz.	1,144	6,680
Boots and shoes—	.....	102	.....	1,000 Doz.
Rubber	2,095	306	220	221
Fabric with rubber ³ .....	.....	.....	329	54
Buttons	704	.....	424	64
				1,000 Gross
				1,324

B. EXPORTS TO HONG KONG

	Average 1928-32		Average 1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Aquatic products	4,056	105,915	2,522	87,593
Cement	1,841	1,471,004	666	971,926
Brass	581	15,577	1,081	23,175
				Units
Automobiles .....	....	....	69	36
Auto parts .....	....	....	475	....
Telephone instruments	39	....	23	....
Radio sets .....	....	....	33	....
		100 Kin		100 Kin
Papers, total	1,413	102,108	1,312	101,731
Printing paper	887	65,222	607	47,238
Cotton yarn	2,137	28,003	1,365	13,330
		1,000 Sq. Yd.		1,000 Sq. Yd.
Cotton cloth, other	9,497	43,308	5,559	26,698
Wool fabrics, including mixture	45	....	1,805	2,342
Wool serge .....	....	....	1,685	1,461
Staple fibre fabrics ³ .....	....	....	550	1,490
Artificial silk fabrics .....	....	....	4,158	22,378
Artificial silk crepe	26	47	1,641	4,503
		1,000 Doz.		1,000 Doz.
Boots and shoes, rubber	448	90	83	15

¹ Includes iron but excludes ores, aluminium, copper, lead, tinfolils, antimony, brass and magnesium.

² Includes principally nails, rivets, bolts, nuts, washers and sewing needles.

³ Figures for 1937 only.

TABLE 2

Japan's Exports of Domestic Products to Korea and Formosa, 1928-1937

A. EXPORTS TO KOREA

	Average 1928-32		Average 1933-37	
	Value 1,000 Yen	Quantity 100 Kilos	Value 1,000 Yen	Quantity 100 Kilos
Wheat	396	58,621	1,277	161,757
		Dozens		Cases
Beer	2,390	530,413	2,186	127,040
		100 Kin		100 Kin
Wheat flour	5,427	562,733	6,820	655,201
Barley	602	101,818	4,262	615,128
Sugar	986	50,672	1,045	53,503
Porcelain and earthenware	2,497	....	4,866	....
Cement	2,810	1,702,029	5,211	3,853,942
Fire-brick	180	86,996	345	143,068
Other bricks	177	84,692	179	117,414
Superphosphate of lime	1,285†	653,278†	3,650	1,484,701
Sulphate of ammonia	5,474	772,874	4,335	678,430
Other fertilizer .....	....	....	9,768	1,993,686
Lubricating oil	1,694	159,347	3,116	275,970
Soap	1,326	26,717	2,632	93,335
		1,000 Gal.		1,000 Gal.
Illuminating oil	733	1,393	3,900	7,372
		M. Tons		M. Tons
Iron, total	14,753	97,160	32,804	209,580
Iron bars and rods	3,941	31,398	8,881	72,449
Iron rails	3,067	25,147	8,506	63,202
Iron plates	1,343	9,784	2,576	15,558
Iron plates, galvanized	2,902	11,741	8,824	21,474
		100 Kin		100 Kin
Automobiles and parts	3,970	....	8,767	....
Insulated wire	1,250	22,915	4,437	69,918
Cycles and parts	2,298	....	5,777	....
Machinery, total	11,378	....	31,048	....
Locomotives and tenders	547	....	2,246	....
Railway carriages and parts	691	....	3,545	....
Nails, screws, etc.	1,485	126,293	3,612	265,906
Foreign-style paper	5,256	243,985	9,611	446,394
Cotton, ginned, and wadding	5,734	142,459	18,963	352,572
Cotton yarn	5,696	85,078	6,934	95,591
Rayon yarn	191	1,482	2,192	21,143
Fishing nets, etc.	1,528	12,773	2,289	23,033
Crude rubber	1,053	30,854	4,623	85,869
Rubber-soled cotton shoes	2,086	....	4,175	....

† Figures for 1932 only.

Japan's Exports of Domestic Products to Korea and Formosa—Conc.

	Average 1928-32		Average 1933-37	
	Value 1,000 Yen	Quantity 100 Kilos 1,000 Sq. Yd.	Value 1,000 Yen	Quantity 100 Kilos 1,000 Sq. Yd.
Cotton cloth	32,736	167,523	37,753	179,288
Silk textiles	5,490	4,454	9,322	8,829
Underwear, knitted	4,687	....	11,715	....
Foreign clothing	2,836	....	8,779	....
Wool textiles	4,701	4,528	10,490	8,328
Rayon textiles	7,463	17,737	20,946	74,390
Staple fibre textiles .....	....	....	1,436	4,239
Caps and hats	1,333	....	2,457	....
Confectionery	1,974	....	4,747	....
Lumber	2,177	M. Bd. Ft. 29,337	7,932	M. Bd. Ft. 103,742

B. EXPORTS TO FORMOSA

Wheat	574	38,591 100 Kin	1,239	9,665,161 100 Kin
Wheat flour	2,637	300,172	4,246	1,068,589
Fish, salted or dried	8,028	....	8,155	....
Sugar	4,581	411,700 Litres	5,487	495,538 Litres
Beer	2,107	5,318,377 100 Kin	1,252	3,633,064 100 Kin
Cement	991	739,404	2,827	2,082,283
Sulphate of ammonia, crude	1,877	374,182	8,770	1,376,481
Manures	5,158	1,371,327	17,774	3,488,743
Starch	166	15,549	1,050	96,737
Drugs, general	3,521	....	5,750	....
Mineral oil	2,015	....	4,220	....
Soap	1,005	....	1,832	....
Iron bars and rods	1,963	M. Tons 18,748	3,510	M. Tons 27,658
Iron plates	1,868	10,546	2,487	14,096
Iron manufactures	2,861	....	4,911	....
Metal construction material	934	4,889	1,577	7,345
Automobiles and parts	1,853	....	3,964	....
Cycles and parts	2,065	....	3,119	....
Machinery n.e.m.	2,498	....	5,422	....
Foreign-style paper	3,349	....	5,060	....
Cotton and silk cloth	14,460	....	18,716	....
Underwear, knitted	1,232	....	2,298	....
Woollen textiles	1,665	....	2,134	....
Confectionery	1,444	....	2,097	....
Cigarettes	2,358	000's 1,026,306 Bags	5,088	000's 967,970 Bags
Gunny bags	775	2,299,000	1,969	5,005,000
Old gunny bags	696	3,087,000	892	3,294,000
Lumber .....	....	....	10,438	M. Bd. Ft. 173,252

CANADA'S EXPORT TRADE IN JANUARY

Virtual disappearance of war materials as such, as an element in the export trade of Canada, and the continued heavy movement abroad of foods and other normal peacetime commodities were features of the January trade, according to figures released by the Dominion Bureau of Statistics. The total value of merchandise exported in January this year was \$189,-090,000 as compared with \$230,498,000 in January, 1945.

The pronounced decline in the war materials group of exports, from \$114,-

896,000 in January last year to the low figure of \$109,000 this year, was to be expected. Industry now is being geared for the production of civilian goods, and exports of certain commodities, which during the war years were classed as war materials, now are entering trade channels for use in peacetime industry. Thus, exports of non-war commodities rose from \$115,-602,000 in January, 1945, to \$188,-981,000.

The export of Canadian agricultural and vegetable products advanced from

\$26,400,000 to \$48,155,000 in January, 1946. Wheat shipments continued heavy, increasing from \$6,606,000 to \$23,655,000, while wheat flour advanced from \$5,643,000 to \$8,842,000. The total for the animal products group rose from \$30,513,000 to \$35,114,000, including meats to the value of \$14,302,000 as compared with \$15,875,000, fish and fishery products \$6,729,000 as compared with \$4,361,000, and eggs \$2,757,000 has compared with \$2,270,000.

Wood and paper products were exported to the value of \$42,261,000 as compared with \$31,852,000 in January, 1945. Shipments of planks and boards were worth \$7,603,000 as compared with \$6,403,000; wood-pulp, \$8,249,000 as compared with \$6,922,000; and newsprint paper, \$18,728,000 as compared with \$11,316,000. There was a marked decline in the iron and its products group, from \$55,721,000 in January last year to \$17,928,000. In this latter classification, motor vehicles

and parts fell from \$37,354,000 to \$9,009,000. Aluminum exports were reduced from \$14,415,000 to \$1,685,000 in 1946, and nickel from \$4,911,000 to \$2,996,000.

The United States was the chief destination for Canada's January exports, with a total of \$62,323,000 as compared with \$84,703,000, followed by the United Kingdom with \$51,148,000 as compared with \$83,230,000. Russia was third with \$8,834,000 as compared with \$4,380,000, and British India next with \$8,424,000 as compared with \$18,022,000.

Canada's material participation in the rehabilitation of countries of Continental Europe is reflected in the export totals for January. Shipments of Canadian merchandise to Belgium were valued at \$5,059,000; to Czechoslovakia, \$2,092,000; France, \$4,291,000; Greece, \$318,000; Italy, \$1,735,000; Netherlands, \$6,665,000; Norway, \$1,405,000; Poland, \$2,834,00; Sweden, \$376,000; and Yugoslavia, \$1,529,000.

Canada's Exports by Principal Countries

	Month of January	
	1945	1946
All countries	\$230,497,774	\$189,090,011
British Empire	116,940,036	75,716,711
United Kingdom	83,230,240	51,147,709
Eire	598,256	836,666
British East Africa	516,201	25,032
British South Africa	2,365,481	3,749,898
Southern Rhodesia	142,544	140,061
British West Africa	72,638	111,601
Bermuda	177,394	274,254
British India	18,022,183	8,424,448
Ceylon	675,736	287,273
Straits Settlements .....	.....	209,122
British Guiana	350,537	445,576
British Honduras	50,295	90,277
Barbados	27,932	279,007
Jamaica	1,590,601	590,479
Trinidad and Tobago	1,356,769	930,253
Other British West Indies	264,750	403,434
Hong Kong .....	.....	22,233
Malta	443,671	527,891
Newfoundland	3,786,844	2,767,701
Australia	1,789,937	2,991,512
Fiji	9,209	95,028
New Zealand	1,382,330	1,295,437
Palestine	16,353	50,038
Foreign countries	113,557,738	113,373,300
Argentina	109,123	697,769
Belgium	1,237	5,058,782
Belgian Congo	29,482	114,803
Bolivia	27,160	56,598
Brazil	706,665	2,621,346
Chile	120,939	344,545
China	991	2,409,913
Colombia	101,219	602,094
Costa Rica	9,237	111,716
Cuba	462,382	777,396

Canada's Exports by Principal Countries—Conc.

Foreign Countries— <i>Conc.</i>	Month of January	
	1945	1946
Czechoslovakia .....	.....	\$ 2,092,038
Ecuador	13,801	39,676
Egypt	2,313,859	963,708
Finland .....	.....	41,658
France	2,300,436	4,290,882
French Africa	1,051,466	698,405
French Oceania	9,192	3,655
French West Indies	477	10,443
St. Pierre and Miquelon	80,007	79,515
Germany .....	.....	62,233
Greece	450,758	318,406
Guatemala	36,050	43,855
Haiti (Republic of)	11,803	53,731
Honduras	67	53,816
Iceland	249,042	329,179
Iraq	230,883	242,310
Italy	12,710,744	1,735,221
Mexico	621,423	491,283
Morocco	62,881	82,923
Netherlands	199	6,665,383
Netherlands East Indies .....	.....	818,900
Netherlands Guiana	10,085	15,621
Netherlands West Indies	48,823	50,432
Nicaragua	19,298	20,793
Norway .....	.....	1,404,604
Panama	30,612	96,034
Persia	125,952	42,336
Peru	147,732	181,783
Poland .....	.....	2,834,097
Portugal	44,710	511,331
Portuguese Africa	47,251	45,286
Russia (U.S.S.R.)	4,380,190	8,833,758
Salvador	11,890	18,011
San Domingo	51,419	105,539
Spain .....	.....	25,947
Sweden .....	.....	375,990
Switzerland	918,714	433,775
Syria	3,179	14,543
Turkey	30,885	8,961
United States	84,702,580	62,322,925
Hawaii	402,982	145,967
Philippine Islands .....	.....	502,880
Puerto Rico	96,791	253,451
Uruguay	106,782	217,413
Venezuela	153,973	1,431,124
Yugoslavia	9,828	1,529,025

Canada's Exports by Principal Commodities

	Month of January	
	1945	1946
	Thousands of Dollars	
Total domestic exports*	230,498	189,090
Agricultural and vegetable products	26,400	48,155
Fruits	928	889
Fruits, fresh	692	717
Apples, fresh	647	674
Fruits, dried	45	23
Apples, dried	45	6
Fruits, canned	50	76
Fruit juices and fruit syrups	141	74
Vegetables	1,525	1,989
Vegetables, fresh	858	496
Potatoes (except seed)	581	103
Vegetables, dried	581	756
Vegetables, canned	71	654
Pickles, sauces and catsups	15	83
Grains	9,472	25,385
Barley	551	13
Wheat	6,606	23,655
Milled products	6,267	9,291
Flour of wheat	5,643	8,842
Prepared foods and bakery products	110	169

	Month of January 1945	1946
	Thousands of Dollars	
Farinaceous products, other	293	475
Vegetable fats, edible	120	143
Sugar and products	369	150
Sugar (refined)	53	....
Vegetable products, other, mainly food	160	279
Beverages, alcoholic	2,197	2,880
Ale, beer and porter	468	187
Beverages, distilled	1,720	2,684
Whiskey	1,642	2,564
Oils, vegetable, not edible	57	247
Linseed and flaxseed oil	50	225
Rubber	2,394	1,562
Pneumatic tire casings	845	418
Inner tubes	76	50
Seeds	1,560	2,092
Seed potatoes	866	1,066
Tobacco	273	1,095
Tobacco, unmanufactured	195	1,047
Vegetable products, other, not food	655	1,468
Hay	11	511
Animals and animal products	30,513	35,114
Animals, living	629	823
Cattle (except for stock)	258	479
Bones, horns and hoofs	31	33
Fish and fishery products, n.o.p.	4,361	6,729
Fish, fresh and frozen	2,475	3,660
Fish, dried, salted, pickled, smoked	623	1,005
Fish, canned or preserved	1,233	2,033
Furs	3,900	5,997
Undressed furs	3,840	5,848
Hair and bristles	63	121
Hides and skins, raw	33	120
Leather, unmanufactured	273	480
Leather, manufactured	209	623
Meats	15,875	14,302
Bacon, hams, shoulders, sides	10,454	4,575
Milk and products	2,188	2,593
Butter	84	127
Cheese	1,107	1,919
Animal oils, fats, greases and wax	535	356
Animal products, other	2,417	2,937
Eggs in the shell	235	866
Eggs, processed	2,035	1,891
Fibres, textiles and textile products	5,033	5,078
Cotton	765	1,158
Cotton fabrics	338	498
Flax, hemp and jute	55	144
Fibre and tow	39	116
Wool	1,595	2,519
Wool, raw	272	251
Artificial silk	892	553
Fabrics, artificial silk	139	211
Fibres and textiles, other	1,726	704
Wood, wood products and paper	31,852	42,261
Wood, unmanufactured	11,083	12,350
Logs	200	229
Planks and boards	6,403	7,603
Timber, square	67	35
Shingles	551	531
Pulpwood	1,526	1,962
Wood, manufactured	7,198	8,814
Wood pulp	6,922	8,249
Paper	13,194	20,621
Newsprint paper	11,316	18,728
Books and printed matter	377	476
Iron and its products	55,721	17,928
Ferro-alloys	973	432
Pigs, ingots, blooms, billets	260	720
Scrap iron	10	11
Castings and forgings	969	95
Rolling mill products	591	1,072
Pipes, tubes and fittings	231	186
Wire	264	70
Chains	10	28
Engines and boilers	513	2,300
Farm implements and machinery	914	2,338

Canada's Exports by Principal Commodities—Conc.

	Month of January	
	1945	1946
	Thousands of Dollars	
Iron and its Products— <i>Conc.</i>		
Hardware and cutlery.....	239	312
Machinery (except agricultural).....	2,145	850
Stamped and coated products.....	35	69
Tools.....	117	121
Vehicles, chiefly of iron.....	37,354	9,009
Automobiles, freight.....	21,739	5,393
Automobiles, passenger.....	3,100	12
Automobile parts.....	11,213	1,430
Iron products, other.....	11,096	316
Non-ferrous metals and their products.....	31,298	16,550
Aluminium.....	14,415	1,685
Bars, blocks, ingots, blooms.....	13,435	934
Brass.....	149	265
Bars, ingots, rods, strips, sheets, plates, tubing.....	15	94
Copper.....	3,576	3,675
Ingots, bars, cakes, slabs, billets.....	2,926	3,199
Rods, strips, sheets, plates, tubing.....	186	114
Lead.....	328	980
Nickel.....	4,911	2,996
Precious metals, except gold.....	997	716
Zinc.....	1,081	2,459
Clocks and watches.....	17	99
Electrical apparatus.....	5,424	3,107
Radio and wireless apparatus.....	3,305	2,608
Non-ferrous metals, other.....	399	566
Cadmium.....	12	83
Selenium and salts.....	33	111
Non-metallic minerals and their products.....	4,503	3,662
Asbestos.....	1,445	1,673
Asbestos milled fibres.....	987	1,180
Clay and products.....	35	32
Porcelain insulators.....	25	19
Coal and products.....	720	381
Coal.....	448	280
Coke.....	73	63
Glass and glassware.....	27	56
Mica and products.....	66	19
Petroleum products.....	1,167	309
Gasoline.....	937	45
Stone and products.....	934	994
Abrasives, artificial, crude.....	842	844
Non-metallic minerals, other.....	104	187
Carbon and graphite electrodes.....	2	51
Chemicals and allied products.....	8,011	5,530
Acids.....	142	200
Alcohols, industrial.....	126	9
Cellulose products.....	6	20
Toilet preparations.....	66	67
Medicinal and proprietary preparations.....	412	197
Explosives.....	1,418	15
Fertilizers.....	2,503	2,845
Paints and varnishes.....	235	310
Soap.....	147	276
Inorganic chemicals, n.o.p.....	1,052	854
Calcium compounds, n.o.p.....	200	369
Soda and sodium compounds.....	528	439
Chemical products, other.....	1,904	737
Miscellaneous commodities.....	37,168	14,812
Amusement and sporting goods, n.o.p.....	70	39
Brushes.....	19	86
Containers, n.o.p.....	55	191
Household and personal equipment, n.o.p.....	250	306
Pens, pencils and parts.....	85	71
Musical instruments.....	5	11
Scientific and educational equipment.....	1,165	184
Films.....	269	67
Ships and vessels.....	637	2,513
Vehicles, n.o.p., chiefly aircraft.....	12,263	16
Miscellaneous commodities, other.....	22,703	11,451
Cartridges.....	19,175	16
Electrical energy.....	533	625

* January totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$109,000 in January, 1946, and \$114,896,000 in January, 1945. The percentage of war materials in other items cannot be ascertained.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Commercial Counsellor, Canadian Embassy, Washington, D.C., from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to February 2, 1946:—

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to February 2, 1946	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c per gal.	901	....
Cream	Gal.	1,500,000 per calendar year	56½c to 28½c. per gal.	195	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1¼c. per lb.	3,623,900†	24.1
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1945	75 to 37½c. per 100 lb.	1,143,092	76.2
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1945	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	3,169	0.3
Red cedar shingles.....	Sq.	\$	Free	113,222	....
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1945	50 to 35% ad val.	9,520†	9.5
Tails	Piece	5,000 beginning Dec. 1, 1945	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† For the period December 1, 1945, to February 2, 1946, imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 1,658.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

§ The quota for 1946 has not yet been determined.

TRADE REGULATIONS AND TARIFF CHANGES

Brazil

NEW REGULATIONS FOR PHARMACEUTICAL PRODUCTS

Mr. M. Belanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, writes that new regulations governing the import and sale of pharmaceutical products in Brazil were published on January 19, 1946. Under the regulations any organization which manufactures or handles chemicals, pharmaceutical products in general,

drugs, hygienic products, perfumery or any other products connected with medicine and public health must receive a previous licence from the "Serviço Nacional da Fiscalização da Medicina". Any firm importing such articles must also obtain a licence from this authority. Annual registration before April 30 of each year is required in respect of firms with head offices located outside the Federal District. Foreign firms must state the location of their head offices and the

name of their representative in Brazil. In each case, the product which it is desired to handle or manufacture must be detailed.

Foreign manufacturers who wish to sell their products in Brazil must have a representative who will be responsible to the Brazilian authorities for fulfilling the requirements of the Brazilian law and such representatives must be duly licensed.

Pharmaceutical specialties manufactured in foreign countries can only be sold in their original packages and are not permitted to be imported in bulk and then repacked in Brazil.

Only licensed concerns, whether Brazilian or foreign, may register trade marks for their products and, in order to obtain registration, they must present a certificate from the "Serviço Nacional da Fiscalização da Medicina" regarding the product concerned.

POSTAL SERVICES AND RATES

Parcel Post to Yugoslavia Resumed

Effective immediately, parcel post service to Yugoslavia is resumed subject to the following conditions:—

The total weight of a parcel must not exceed eleven pounds, and the total value of the contents must not exceed \$25. Parcels cannot be insured. The sending of parcels is limited to private citizens, and must not be undertaken by relief organizations and others. The naming of addressees other than the known ultimate addressee for the purpose of evading the limitations of the service is prohibited. No one sender may send more than two parcels per week, each of which must be to a different addressee. The parcels are restricted to gifts addressed to private individuals and must not include commercial shipments. The contents are to be listed in detail on the covering Customs Declarations. Senders are advised to endorse the wrapper of each parcel "Gift Parcel".

Attention is particularly directed to the fact that the acceptance of a parcel by the Canadian Post Office does not affect the liability of its contents to

Egypt

SUPPLY OF HARD CURRENCY

As a result of an extension to March 31, 1946, of the terms of Egypt's exchange agreement of 1945 with Great Britain, there is approximately £3,000,000 of "hard" currencies at Egypt's disposal during the first quarter of 1946.

Under the original agreement, the United Kingdom agreed to make approximately £10,000,000 of "hard" currencies available to Egypt during 1945 to cover the need for invisible payments to, and imports from, the United States, Canada and some other countries. A British white paper issued in January stated that the two governments have not felt able under present circumstances to enter into negotiations for a new agreement for the whole of 1946.

Customs or other charges in Yugoslavia.

Certain articles of value, such as new wearing apparel, may be subject to import restrictions in the country of destination, however, and senders would be well advised in their own interests to ascertain from the addressee whether the articles they intend to send to relatives and friends would be exempt from such restrictions.

Postage rates, which vary from 50 cents for one pound to \$2.55 for eleven pounds, are subject to revision at any time in accordance with any variations in transportation charges.

Mail Service to the Netherlands East Indies Resumed

The mail service for private and business communications to the Netherlands East Indies has been resumed *by air only* via the Netherlands. The service is restricted to postcards and letters weighing up to the normal limit of four pounds six ounces. The postage rate for transmission by air over the entire route is 70 cents per half-ounce. No registration, money order or parcel post service is yet available.

Parcel Post to Hong Kong, Malay States, Straits Settlements, Brunei, North Borneo and Sarawak

Notification has been received from the British office, through whose service parcels are despatched, of changes in the amounts due them for their onward transmission. The rates of postage have been altered in consequence and, until further notice, will be as follows: to Hong Kong, from 60 cents for 1 pound to \$2.60 for 11 pounds; to Malay States (Federated and Unfederated) and Straits Settle-

ments (including Singapore), from 65 cents for 1 pound to \$2.75 for 11 pounds; to Brunei, North Borneo and Sarawak, from 65 cents for 1 pound to \$1.80 for 7 pounds.

Air Mail Despatched via the United States

Advice has been received from the United States Postal Administration that, effective at once, articles weighing up to 4 pounds 6 ounces may be accepted for dispatch by air to the following destinations: Azores, Gibraltar, Madeira Islands, Portugal and Spain.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Feb. 18	Nominal Quotations Feb. 25
Argentina ..	Peso	Off. .3282	.3282
		Free .2696	.2690
Australia ..	Pound	3.5520	3.5520
Belgium and Belgian Empire ..	Franc	.0251	.0251
Bolivia ..	Boliviano	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	.9250	.9250
Brazil ..	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile ..	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia ..	Peso	.6282	.6282
Cuba ..	Peso	1.1025	1.1025
Czechoslovakia ..	Koruna	.0220	.0220
Denmark ..	Krone	.2296	.2296
Ecuador ..	Sucré	.0816	.0816
Egypt ..	Pound	4.5538	4.5538
Eire ..	Pound	4.4400	4.4400
Fiji ..	Pound	4.0090	4.0090
Finland ..	Markka	.0081	.0081
France and North Africa ..	Franc	.0092	.0092
French Empire—African ..	Franc	.0157	.0157
French Pacific possessions ..	Franc	.0222	.0222
Haiti ..	Gourde	.2205	.2205
Hongkong ..	Dollar	.2775	.2775
Iceland ..	Krona	.1702	.1702
India ..	Rupée	.3330	.3330
Iraq ..	Dinar	4.4400	4.4400
Italy ..	Lira	.0111	.0111
Jamaica ..	Pound	4.4400	4.4400
Mexico ..	Peso	.2268	.2268
Netherlands ..	Florin	.4153	.4153
Netherlands West Indies ..	Florin	.5842	.5842
New Zealand ..	Pound	3.5698	3.5698
Norway ..	Krone	.2220	.2220
Palestine ..	Pound	4.4400	4.4400
Peru ..	Sol	.1709	.1709
Philippines ..	Peso	.5512	.5512
Portugal ..	Escudo	.0444	.0444
Spain ..	Peseta	.1009	.1009
Straits Settlements ..	Dollar	.5180	.5180
Sweden ..	Krona	.2627	.2627
Switzerland ..	Franc	.2563	.2563
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4400	4.4400
United Kingdom ..	Pound	4.4400	4.4400
United States ..	Dollar	1.1025	1.1025
Uruguay ..	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela ..	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.

Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDonald, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

SWEDEN AS AN IMPORTING COUNTRY

By R. T. YOUNG, *Europe Section, Trade Commissioner Service*

After being almost entirely cut off from the outside world, particularly North America, for a period of five years, Swedish industry is now ready to resume contact with former connections and establish new ones to replace those lost as a result of war. Like other countries of Western Europe, for some time to come her requirements will be large, in order to replenish stocks of industrial products and foodstuffs. As a result of the war, Swedish consumers are desirous of becoming better informed concerning new products developed during the period of hostilities, which further opens the market to Canadian manufacturers and exporters.

In normal years, Sweden's imports exceeded her exports. In 1938 the latter were valued at \$460,750,000 and in 1939 at \$472,250,000, and corresponding figures for imports were \$520,500,000 and \$624,750,000. There was, therefore, a surplus of imports over exports of nearly \$60,000,000 in the former and of \$152,500,000 in the latter year. On a per capita basis, imports in 1938 had a value of \$82, in which year Sweden was among the ten leading importing nations of the world.

Principal Imports

In 1938, selected as a normal year, the total volume of imports into Sweden amounted to 13,670,000 metric tons. Tables 1 and 2 show the distribution of these imports by twenty commodity groups and by principal countries of supply respectively.

TABLE 1

Sweden's Imports in 1938 by Commodity Groups

	Million \$
Live animals and animal products....	10.41
Vegetable products	56.92
Fats, oils and waxes (animal and vegetable)	8.32
Foodstuffs, fodder, beverages and tobacco	23.15

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	Million \$
Mineral products	93.11
Chemicals and pharmaceutical goods, paints, perfumes, products of oils and fats, explosives	41.62
Hides, skins and furs and manufactures	13.29
Rubber and rubber goods	6.75
Wood and cork and manufactures....	6.92
Wood-pulp, paper and cardboard and manufactures, including printing materials	5.39
Textile raw materials and manufactures	72.58
Boots and shoes, hats, umbrellas, etc....	3.39
Works in stone and other minerals, pottery, glass and glassware.....	8.52
Precious metals and manufactures, pearls and precious stones, bullion..	1.17
Non-precious metals and manufactures	65.59
Machinery, apparatus, and electrical materials	49.80
Means of transport, ships	33.57
Scientific instruments, weighing-machines, watches and clocks	8.90
Arms and ammunition	3.57
Unspecified	7.47
Total	520.44

TABLE 2

Sweden's Imports by Supplying Countries

	Million \$
Germany	124.64
Great Britain	95.12
United States	84.84
Denmark	29.62
Holland	28.82
Belgium	18.54
Poland	16.97
Norway	16.34
France	15.57
Czechoslovakia	11.17
Switzerland	10.49
Argentina	9.68
Italy	7.63
Brazil	7.01
Finland	5.35
Hungary	3.54
Japan	3.03
Luxembourg	2.97
Soviet Union	2.91
British India	2.47
China	1.97
Iceland	1.57
Commonwealth of Australia.....	1.40
Palestine	1.31
Portugal	1.29
Other countries	16.19
Total	520.44

Purchases from Canada

It will be noted that Canada does not appear in Table 2 as a source of supply. Imports from Canada into Sweden have undoubtedly been credited

in the statistics to the United States when shipped to Sweden through ports of that country and to "other countries" when exported from Canadian ports. According to the Dominion Bureau of Statistics, Canada's exports to Sweden in 1938 and 1939 were as follows:—

	1938	1939
Raw materials	\$ 169,050	807,304
Partially manufactured goods	1,521,766	3,418,088
Fully or chiefly manufactured goods	1,465,364	1,633,695
Total	\$3,156,180	\$5,859,087

As a result of the elimination of Germany as a supplier, Sweden's sources of imports will change considerably. This should afford many opportunities to Canadian exporters. Aside from Sweden's present extraordinary demand for all classes of goods, even in normal times, as shown by the foregoing statistics, she was a large importer of a great variety of products, including raw materials and highly processed articles.

Trade Prospects

In the period between World Wars I and II the total value of Sweden's foreign trade increased from \$567,000,000 in 1922 to \$981,250,000 in 1938. Despite the fact that during this period all currencies were greatly devalued, the above figures imply a considerable expansion. Under present circumstances a similar, if not greater, expansion may be anticipated.

Sweden's imports include a large proportion of foodstuffs and highly processed consumer goods. In addition, machinery and means of transport appear as prominent items among her foreign purchases, while raw materials have shown a steady rise to satisfy her rapidly increasing industries, such as textile mills and chemical works. It may be expected that these and related commodities will continue to flow in increasing quantities into the country, where industry is primarily based on semi-manufacturing and high processing of her own domestic raw materials, principally timber and steel.

Foreign Exchange Holdings

Sweden's financial position appears to be sound. On October 31, 1945, the gold and foreign exchange holdings of the Riksbank (Bank of Sweden) were about \$700,000,000. It should be noted, however, that a considerable amount of her foreign exchange holdings are of pounds sterling. Note circulation was approximately \$644,000,000. Inflation has been ever present but, due to the co-operation of the state, labour and industry, it has been kept within narrow limits. The official exchange rate has been around \$1.00 U.S.=4.20 kronor. In addition the Swedish financial situation has been so favourable that the Government has been in a position to grant various countries reconstruction credits to a value of approximately \$750,000,000.

Shipping

Swedish-owned shipping facilities, which have been of the utmost importance in the development of her exports, have also been of great assistance to her import trade and of benefit to the countries from which Sweden obtains supplies. These shipping services include among others the following: Johnson Lines, Salen Lines, Svea Line, Sweden-America-Mexico Line, Swedish America Line, Swedish Lloyd, and Transatlantic and Transpacific Lines.

Information

The Foreign Trade Service of the Department of Trade and Commerce will shortly open an office in Stockholm with a Senior Canadian Trade Commissioner in charge. Announcement of the address of this official will be made in due course. Interested Canadian exporters and importers should, therefore, direct their inquiries to the Trade Commissioner when his address is published; in the meantime they may communicate with the Foreign Trade Service, Department of Trade and Commerce, Ottawa.

BAKING TRADE IN TRINIDAD, BARBADOS AND BRITISH GUIANA

By T. G. MAJOR, *Canadian Trade Commissioner at Port of Spain*

Bread is one of the main staples in the diet of the West Indian peoples, and there is relatively little fluctuation in the rate of consumption. The only exception to this is in those colonies where there is a large number of East Indians. There the consumption of bread depends in some measure on the relation between the price of rice and that of flour. This is the case in both British Guiana and Trinidad. However, the baking trade in these two colonies and Barbados afford present and potential outlets not only for Canadian flour but also for other supplies and equipment.

Trinidad and Tobago

In Trinidad the baking industry is concentrated mainly in the more populous centres, Port of Spain and San Fernando. In the former city there are thirty-seven bakeries, of which ten are comparatively large. In San Fernando and the smaller places throughout the colony there are some seventy bakeries, only three of which may be classified as large. The influx of labour into Trinidad resulted in an unusually large share of the baking being carried on by small operators, but this trend now is in process of being reversed. Loaves of bread vary from two to forty-eight ounces in weight.

Only the larger shops are equipped with machinery, most of the smaller ones using hand methods. One establishment only uses electricity, while three others use oil. Recent advances in the cost of electricity may tend to increase the demand for oil-burning equipment. With higher labour costs, an increased demand for mechanical equipment appears to be developing.

British Guiana

In Georgetown there are about thirty plants, of which all but nine are relatively small. These nine are

equipped with dough-mixing machines, but otherwise the work is done by hand. There are a number of small establishments scattered throughout the various centres along the coast, but none is of any size except in New Amsterdam. Three loaf sizes are manufactured, namely, two, eight and sixteen ounces.

The fuel used consists of locally produced wallaba wood, which is plentiful. Some consideration is being given the construction of a hydro-electric power plant by the Canadian-owned electric company. Meanwhile, power costs and relatively cheap labour combine to make the installation of mechanical equipment unattractive to most of the bakers.

Barbados

The baking industry in Barbados is concentrated mainly in Bridgetown, where there are seven large bakeries and some thirty-eight small ones. The rural sections are supplied by an estimated forty to fifty plants, all of which are small. The large bakeries have dough-breakers, but only three or four use mixers. In all the others the work is done entirely by hand. The fuel used is wallaba wood from British Guiana.

The major portion of production is for the "penny loaf" trade. This loaf weighs two and three-quarter ounces and sells for two cents, while proportionately larger loaves retail at four and six cents.

Some interest is developing in up-to-date mechanical equipment. However, the high cost of fuel oil and electricity and the low cost of labour combine to slow down any switch-over from hand to mechanical methods.

MARKET FOR WOMEN'S HOSIERY IN IRELAND

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

Ireland has hitherto depended largely on imports for her supply of silk and artificial silk stockings, though she has a long-established industry in the manufacture of woollen hose.

Domestic Production

At present, Eire possesses four factories turning out silk and artificial silk hosiery of high quality, as well as about a score of smaller firms producing lower-grade goods. The total output, however, falls far short of the country's requirements, and a considerable import market for silk stockings therefore exists. Table 1 shows the domestic production of women's hosiery for the years 1937, 1938, 1943 and 1944.

and it is comparable in quality to anything which has been imported. Strict profit control on the part of the Government restricts the retail price of these fully-fashioned stockings to 6s. 9d. per pair. Supplies are, of course, extremely limited. Before the war fully-fashioned Canadian stockings were sold retail in Ireland from 5s. 11d. Imported stockings of this type are sold to-day at 8s. 4d., 10s. 11d., and 16s. 11d.

Imports

Table 2 shows imports of silk and artificial silk hosiery by quantity and value in 1936, 1937, 1938, 1943 and 1944. It will be seen that in pre-war years, although imports were declining as home production increased,

TABLE 1
Production of Women's Hosiery in Ireland

	1937	1938	1943	1944
Stockings, wholly or mainly of cotton, doz. pr....	98,637	66,315	89,956	105,379
	£ 39,269	£ 25,263	£ 85,027	£ 95,670
Stockings, of silk or artificial silk, doz. pr.....	373,638	458,692	425,775	301,470
	£281,900	£347,549	£515,447	£385,079

Yarn and silk were formerly imported from Great Britain and the United States. In 1933 the total imports of cotton yarn were about one and a quarter million pounds, but by 1939 the figure had risen to approximately nine and a half million pounds, of which roughly one-half was consumed by the hosiery trade. The bulk of this came from Lancashire, but the amount which the United Kingdom has been able to supply has declined steadily until it represents now about 2 per cent of the 1939 quota. In 1940, 1941 and 1942, yarn was obtained from the United States; when this source also failed, supplies were obtained from South America, whence a quantity of inferior quality yarn (at a high price), sufficient to keep the Irish factories working at approximately half time, is now being purchased.

The finest type of stocking being manufactured at present is 54 gauge,

Canada was gradually strengthening her position in this market, whereas all her competitors were experiencing a steady drop in their sales. The British factories were the only ones whose product could compare in quality with the Canadian article, which enjoys a very high reputation in Ireland.

During the war Ireland had to seek supplies from other than pre-war sources, the United States being the only pre-war supplier which maintained its position.

QUOTA SYSTEM

As a protective measure for home production, a quota system was established, imports of stockings being originally restricted to 240,000 pairs per six-month period. This quota was increased in 1941 to 440,000 pairs and in the following year was suspended. This suspension order has since been

TABLE 2

Imports of Silk or Artificial Silk Stockings and Hose

	1936	1937	1938	1943	1944
	Quantity in dozen pairs				
Great Britain	17,081	11,924	10,266	83	41
Northern Ireland	8	12	4	4	8
Czechoslovakia	8,901	4,090	4,057	....	....
Germany	32,645	23,249	22,780	....	....
Canada	2,969	3,652	5,163	257	66
United States	1,218	800	469	692	1,761
Portugal .....	....	....	....	2	5
Switzerland .....	....	....	....	....	460
Argentina .....	....	....	....	....	2,050
Brazil .....	....	....	....	....	1,893
Other countries	878	606	778	....	1,761
Total	63,700	44,333	43,517	1,038	6,284
	Value in Pounds Sterling				
Great Britain	14,049	11,596	11,078	421	107
Northern Ireland	11	16	8	8	18
Czechoslovakia	5,093	2,347	2,272	....	....
Germany	20,741	17,368	17,306	....	....
Canada	5,277	5,834	8,293	442	126
United States	1,697	1,180	736	1,624	4,906
Portugal .....	....	....	....	4	9
Switzerland .....	....	....	....	....	1,346
Argentina .....	....	....	....	....	7,203
Brazil .....	....	....	....	....	11,557
Other countries	707	595	726	....	....
Total	£47,575	£38,936	£40,419	£ 2,499	£25,273

renewed for each six-monthly period and quotas seem likely to remain in abeyance for some time. Imports for the period ending June 30, 1946, are not limited by an import quota and no licence is required.

IMPORT DUTY

British and Canadian hose are subject to an import duty of 25 per cent, while United States and other non-Empire products pay 37½ per cent. It should be borne in mind, however, that purchases from South America do not entail exchange difficulties for the Irish importer.

Future Market

No item has been more frequently inquired for at this office during the last year than Canadian silk stockings. Throughout the war this market has depended largely on Brazil and the Argentine for supplies, and the hosiery obtained from these sources has been high priced and of a quality inferior to that of the leading Canadian houses.

Home production is prevented from increasing by the acute shortage of raw material.

The lack of Canadian dollars greatly hinders the purchase of many essential items which this country is now anxious to import from Canada, however, so that an allocation of exchange for hosiery has little chance of favourable consideration by the Government. But the present demand, and the interest shown, for example, in nylon stockings, presages an increased market in future for higher grade stockings at the expense of the cheap circular hose which formerly found a good sale.

Many of the leading Canadian manufacturers are already represented in Ireland. Other Canadian firms interested in the Irish market and who desire information are invited to address their inquiries to the Canadian Government Trade Commissioner, 66 Upper O'Connell Street, Dublin, or the Foreign Trade Service, Department of Trade and Commerce, Ottawa.

BRAZILIAN PRODUCTION AND IMPORTS OF FARM MACHINERY

From the Brazilian Government Trade Bureau

The mechanization of Brazilian agriculture is still in its infancy. Due to the war, Brazilian imports of ploughs and attachments, seed-drills, tractors and other agricultural machines and implements have decreased considerably between 1940 and 1944. Our imports of farm machinery come from practically one single country—the United States. Although the manufacture of farm implements and machines has progressed appreciably in Brazil, we are far from being in a position to supply domestic requirements. We have not yet begun to build tractors and we still have to depend on foreign countries for the ploughs, seed-drills and various other farm implements we require.

The first agricultural implements to be manufactured in Brazil were those used in the cultivation and harvesting of coffee and rice. Equipment manufactured by the MacHardy concern, of Campinas, in the State of Sao Paulo, has been widely used in all the coffee-producing regions of Brazil even before the first world war. This firm is particularly known as the originator of a very practical coffee harvesting machine, obtainable at comparatively low cost. The Lindgerwood Company is another pioneer in the manufacture of machinery of that type.

A fairly large number of Brazilian plants, most of which are established in Sao Paulo, are now turning out various agricultural machines, implements and farm tools. They include planting, harvesting and processing machines for coffee, rice, corn, manioc, cotton and other crops; manioc grinders, including electric grinders; cotton pickers; seeders; threshing machines; single and multiple-share ploughs; and disc harrows for tractors. In addition, there are a number of well-known Brazilian makes of mattocks, hoes, shovels, picks, weeders and other tools.

However, as already said, domestic production is far below requirements.

Imports of agricultural machinery, including ploughs and attachments, seed-drills, tractors and other machines and implements during the five-year period 1940-45 aggregated 9,081 metric tons valued at \$5,025,000.

During 1942, the year in which shipping conditions were particularly difficult, we imported only 1,047 long tons valued at \$581,400. In 1943 our imports increased to 1,709 tons valued at \$1,175,750, but diminished again in 1944 to 1,312 tons and \$614,000. These totals are below those of 1940 and 1941 when imports of agricultural machinery amounted to 2,680 and 2,333 metric tons valued at \$1,377,380 and \$1,273,000 respectively. The value of tractors imported during the five-year period under review amounts to 51·5 per cent of total imports of agricultural machinery and implements; ploughs 26 per cent, seed-drills 0·5 per cent, all other farm machines and implements 22 per cent.

Until 1941, Brazil used to import small quantities of these producer goods from Germany. Between 1940 and 1943, we bought farm machinery and implements also from Great Britain, Canada, Argentina, Sweden, France and even Japan. During 1943 we imported ploughs and attachments, seed-drills and other items of lesser importance exclusively from the United States, while tractors were also bought in Great Britain and Argentina, in addition to the U.S.A. During 1944, we imported farm machinery and implements exclusively from the United States and Canada, with negligible quantities from Great Britain. Tractors in 1944 were bought exclusively in the United States, the volume for that year being 346 metric tons. This also applies to seed-drills with a total of slightly over 8 metric tons.

It is worthy of note that during the period under review the United States supplied 86.5 per cent of Brazilian imports of ploughs, 85 per cent of attachments, 97 per cent of seed-drills, 99 per cent of tractors and 92 per cent of other farm machines and implements.

Brazilian requirements of farm machinery and implements is bound to increase considerably. Plans are being studied now for the wider utilization of agricultural machines which must be imported in heavy volume unless Brazilian production of these goods improves considerably both in volume and quality.

Brazilian Imports of Farm Machinery, 1940-44

	Total Volume (Metric Tons)	From the United States
Ploughs and cultivators	1,397	1,208
Attachments for above	968	822
Seed-drills	32	31
Tractors	4,680	4,621
Other	2,004	1,850
Total	9,081	8,532

FOREIGN TRADE OF KOREA

Prepared in ASIA SECTION, *Trade Commissioner Service*

Korea's foreign trade in the decade ending 1940 was characterized by a fourfold increase in terms of value, the important position it occupied in the economy of Korea as a whole, and the preponderant importance of Japan in the trade with the Peninsula. The export trade consisted basically of foodstuffs and raw materials; the import trade of manufactured and semi-manufactured goods, centered around textile and mineral-metal industries. In general, the Japanese developed Korea as an important source of food supply, strategic minerals and chemicals, also as a reservoir of industrial and military manpower; the important chemical, metal, mining and textile industries were geared to the production of goods for the Japanese war economy.

The combined import and export trade of Korea in 1939 amounted to 2.4 billion yen (\$621 million); this was just about four times the value of the trade of Korea in 1930, indicating the spectacular development. During this development 86 per cent of Korea's export trade and 85 per cent of its import trade was with Japan, whilst all but 4 per cent of all total trade was with the "yen bloc".

Exports

Korea's major exports were foodstuffs, such as rice, soybeans and marine produce. A second important export group included minerals, ores and metals, such as coal, graphite, barite, fluorspar, magnesite, gold ore, iron ore, tungsten ore, zinc ore, iron, lead, copper and cement. Exportation to Japan was encouraged by grants of subsidies, etc., to mining and refining companies. Other exports included textiles, fertilizers, oils and fats and chemicals, such as glycerin, carbide and caustic soda.

Imports

Textiles were an important Korean import; raw materials for this originated in foreign countries, the manufactures in Japan. Foodstuffs and beverages were next in importance, foremost among the former being wheat flour, sugar, millets and soybeans. Other important imports included metals, ores and minerals, iron semi-manufactures, machinery and vehicles, metal manufactures, chemical fertilizers, mineral oils, lumber, pottery and glassware.

During 1933-37 imports exceeded exports by a total of 545 million yen. This unfavourable balance was brought about for the most part by the imports necessitated by the industrialization, fortification and public works program; a lesser factor was the limited domestic production of consumer goods compared to total consumption. During this period 58 per cent of the excess of merchandise imports into Korea over exports was balanced by exports of gold and silver. This balance of payments was adversely affected by high interest and dividend payments on Japanese investments in Korea; however, these were partially offset by expenditures of the Japanese Government in Korea.

Postwar Outlook

Any conclusions regarding the postwar trade position of Korea must be tentative, in view of the paucity of accurate information regarding the Korean economy during the past decade.

The chief immediate trade problem confronting Korea will be that of obtaining sufficient supplies of various materials on which the population is more or less dependent for subsistence. Cotton and woollen clothing will be in great demand; when textile raw materials are available from abroad it can be assumed that the textile industry of Korea will resume production and provide for part of this demand. Other immediate requirements will be such commodities as fish nets and equipment, commercial fertilizers and heavy oils and bituminous coal.

MAJOR PROBLEMS

Korea's outstanding trade problem will be to overcome the effects of severance of the utter dominance of Japan in Korean economic, financial and managerial affairs. A lesser difficulty will be the finding of alternative productive activities, for some industries will be found to be uneconomic with-

out the subsidies and guarantees previously extended by the Japanese Government. In view of the fact that the rapid industrialization of Korea and its extensive foreign trade was a result of the continued injection of additional capital goods into the country by Japan, there may be a general lowering of economic activity until such time as new markets can be developed and commercial relations placed on a broader basis.

In short, the foreign trade of Korea, lacking the continued support of the Japanese market and a ready source of capital, may be expected to fall well below its previous levels and carry the economy of Korea as a whole in a downward trend. It may become increasingly difficult for newly established Korean firms, replacing Japanese-controlled, -operated or -subsidized companies, to operate old plants, or obtain sufficient credits abroad to purchase needed equipment and raw materials. The shortage of trained men capable of taking over the managerial and supervisory functions of the industries, and lack of private Korean investors will increase this difficulty.

PROBABLE TRADE TRENDS

Owing to the existence of natural deposits of fertilizer materials, together with the electric power resources of the country, an expanding export trade in fertilizer can be expected. The development of exports of minerals and ores, other than anthracite coal, is uncertain owing to lack of the stimulus previously given by the Japanese military program. As soon as domestic needs have been met, it is anticipated that the export of yarns, fabrics and even piece-goods will be undertaken, providing the textile raw material will be available.

In listing likely future imports, foodstuffs, including raw and refined sugar, wheat, grain or flour and millet, will be definitely in demand. Other imports will include fertilizer, various types of

machinery, notably textile machinery, and vehicles. It is probable that a small iron and steel industry will be maintained and possibly a tinplate industry for domestic supply will be developed; consequently some imports of tin and alloys, iron ore and scrap can be anticipated. Imports of lumber and paper were large before the war, also of petroleum and its products. The demand for these will remain but may be reduced. Textile raw materials will be imported, irrespective of the possible development of the export of manufactured textiles.

The requirements and uncertainties of new managements and new undertakings, combined with the serious disruption of Korea's foreign trade and internal economic life, consequent upon the dismemberment of the Japanese Empire, indicate that a need will exist for financial and even managerial assistance from nations other than Japan.

Reference Material

The foregoing is a summary of a report on Korean foreign trade prepared by the United States Tariff Commission. Other industry analyses of Japanese trade have been compiled. These include reports on aluminum, bicycles, caustic soda, raw cotton, cotton textiles, cement, chemical nitrogen, coal, dyes, electrical equipment, fats, flour, glass, glassware, hides and skins, lead, lumber, marine products, menthol, oils, potassium salts, phosphate rock, pottery, rayon fabrics, rayon yarn, rice, rubber, salt, shipping, silk, silk fabrics, soda ash, soybeans, sugar, sulphur, sulphuric acid, wheat, wool, tanning material, tea, textile machinery, toys, zinc and Kwantung Leased Territory. Canadian exporters may obtain any of these reports for examination on application to the Foreign Trade Service, Department of Trade and Commerce, Ottawa, stating commodities in which interested.

JAPANESE EXPORT TRADE, 1928-37

Exports to Kwantung and Manchuria

Following is a table summarizing the principal exports of domestic produce of Japan proper and Karajuto to Kwantung and Manchuria (Manchukuo) during the ten-year period 1928 to 1937. Similar tables for China and Hong Kong, and Korea and Formosa, were published in the issue of March 2 (No. 2196).

The figures of exports to Kwantung and Manchuria are shown together, since a large part of the trade entering Dairen in Kwantung was destined for Manchuria. The data for Kwantung should be studied with that fact in mind. Exports of Korean and Formosan produce are not included in the figures shown in this table.

During the period reviewed, Japanese exports to Kwantung and Man-

churia showed a marked expansion. For the five years 1928 to 1932 inclusive the average value of exports to Kwantung was 101.5 million yen, while the average for the next five years rose to 312.1 million yen. Exports to Manchuria showed a parallel rise in value, increasing from 41.5 to 136.5 million yen.

The exchange rate of the Japanese yen during the ten years was as follows: 46 cents in 1928, 49 in 1931, 31 in 1932, and 29 cents in 1933, from the last of which it varied only slightly up to and through 1937. Only part of the increase in value of exports may thus be attributed to a fall in value of the yen.

TABLE 3

*Japan's Exports of Domestic Products to Kwantung and Manchuria, 1928-37**Note.*—100 kin (1 picul) equals 132.27 pounds.

A. EXPORTS TO KWANTUNG

	1928-32		1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Wheat flour	5,774	849,525	15,436	2,139,659
Aquatic products	1,765	123,747	3,888	278,977
Refined sugar	3,530	483,763	7,594	1,063,130
Citrus fruits, in tins .....	....	....	160	8,895
Beer	1,111	Gallons 597,000 100 Kin	2,034	Gallons 2,209,000 100 Kin
Pottery, total	1,071	....	1,720	....
Pottery, domestic use .....	....	....	590	....
Pottery, producer goods .....	....	....	1,256	....
Cement	239	180,195	2,021	1,829,215
Soda ash .....	....	....	483	107,366
Caustic soda .....	....	....	128	14,495
Vegetable oil	144	5,556	281	10,160
Cotton-seed oil	7	297	2	104
Machine oil .....	....	....	42-Gal. Bbl.	....
Soap	655	....	2,014	84,000
Dyes	51	117	913	....
Iron, except ores	4,420	36,807	M. Tons	M. Tons
Iron bars and rods	868	8,775	482	824
Iron plates and sheets	565	4,830	32,294	217,724
Iron rails .....	....	....	7,566	68,767
Iron pipes and tubes	719	3,757	4,031	21,714
Automobiles .....	....	....	2,315	19,112
Other metals* .....	....	....	4,540	24,264
Copper wire	843	18,497	Units	400
Brass, total	239	5,257	1,087	400
Auto parts .....	....	....	100 Kin	100 Kin
Electrical machinery	1,484	23,579	27,100	2,789,762
Electric motors and dynamos .....	....	....	3,638	70,551
Telephone instruments	440	....	413	8,446
Radio sets .....	....	....	3,760	....
Telephone instrument parts .....	....	....	7,146	83,944
Insulated electric wire	1,232	22,018	2,409	34,616
Lamps and parts	780	....	3,937	....
Cycles and parts	337	....	1,865	....
Machinery parts and accessories	4,780	....	3,340	....
Machinery, metal and wood-working, and parts.....	140	3,281	5,926	93,682
Spinning machinery	178	4,074	1,366	....
Spinning machinery parts .....	....	....	1,150	....
Pumps and parts	224	4,261	35,231	....
Other machinery .....	....	....	1,418	26,702
Steam vessels	2,285	5	693	18,117
Railway accessories .....	....	....	554	11,389
Locomotives, etc. ....	....	....	1,171	18,959
Iron manufactures, total	2,647	....	11,987	....
Softwood logs and cants .....	....	....	Units	Units
Sawn wood, total	125	....	1,418	4
Sawn softwoods .....	....	....	7,408	....
Sawn hardwood .....	....	....	11,240	583
Plywood	16	226	9,174	....
Papers, total	3,361	190,718	M. Bd. Ft.	M. Bd. Ft.
Printing paper	1,453	103,479	1,887	84,323
Cotton yarn	572	7,431	....	....
Cotton cloth, grey	3,783	20,809	842	14,355
Cotton cloth, bleached	1,097	6,395	443	4,452
Cotton cloth, other	7,481	29,249	M. Sq. Ft.	M. Sq. Ft.
			454	10,974
			100 Kin	100 Kin
			8,730	570,038
			3,045	222,406
			708	7,164
			1,000 Sq. Yds.	1,000 Sq. Yds.
			6,616	33,009
			3,561	19,301
			12,023	44,184

	1928-32		1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Silk fabrics	1,225	....	2,703	2,897
Silk crepes	77	74	835	709
Staple fibre fabrics .....	....	....	2,748	6,213
Artificial silk, fabrics	477	....	11,633	40,835
Artificial silk, crepe	36	73	2,982	6,650
		Doz.		Doz.
Cotton towels	110	92,000	219	188,000
Handkerchiefs	53	67,000	108	138,000
		100 Kin		100 Kin
Rags, total	277	24,589	941	68,171
Staple fibre, including threads, twines .....	....	....	2	13
Staple fibre, yarns .....	....	....	119	2,187
Artificial silk	75	615	6,170	53,964
Blankets of cotton	51	642	147	2,316
Table cloths	23	123	61	279
		Doz.		Doz.
Socks and stockings of knitted cotton .....	....	....	282	123,000
Cotton drawers, undershirts	375	64,000	698	124,000
		100 Kin		100 Kin
Woollen or worsted yarn	335	1,618	874	3,613
Woollen knitting yarn .....	....	....	856	2,730
				M. Sq. Yds.
Wool fabrics	1,670	....	9,609	8,155
Wool serge .....	....	....	6,309	4,841
		Doz.		Doz.
Hats, caps, bonnets	396	41,000	552	91,000
Rubber boots and shoes	264	38,000	410	55,000
Boots and shoes with rubber soles .....	....	....	4,074	690,000
Toys	306	....	401	....

B. EXPORTS TO MANCHURIA (MANCHUKUO)

Wheat flour	3,781	518,121	8,282	1,166,500
Salmon and trout .....	....	....	22	1,015
Tomato sardines .....	....	....	11	710
Crabs in tins .....	....	....	12	182
Aquatic products .....	....	....	358	45,167
Refined sugar .....	....	....	1,267	179,131
Citrus fruits, in tins .....	....	....	36	2,112
		Gal.		Gal.
Beer	227	123,000	924	983,000
		100 Kin		100 Kin
Pottery, total	112	....	1,290	....
Pottery, domestic use .....	....	....	988	....
Pottery, producer goods .....	....	....	489	....
Glass manufactures	69	....	766	....
Cement	52	39,583	102	92,337
Soda ash .....	....	....	134	32,506
Caustic soda .....	....	....	86	9,410
Menthol crystal .....	....	....	3	3
Vegetable oil .....	....	....	56	2,018
		Under		
Colza oil	500 Yen	2	5	200
Cotton-seed oil .....	....	....	1	66
Fish oil, hardened .....	....	....	3	149
				42 Gal. Bbl.
Machine oil .....	....	....	155	6,000
Soap	119	....	1,159	....
		M. Tons		M. Tons
Dyes	26	38	371	812
Iron, except ores	143	1,201	2,094	14,270
Iron bars and rods .....	....	....	225	1,886
Iron plates and sheets .....	....	....	873	5,168
Iron rails .....	....	....	37	359
Iron pipes and tubes .....	....	....	420	3,342
				Units
Automobiles .....	....	....	423	175
Locomotives, etc. ....	....	....	142	5
Steam vessels .....	....	....	134	1
		100 Kin		100 Kin
Other metals* .....	....	....	3,615	340,316
Copper wire .....	....	....	73	1,355

B. EXPORTS TO MANCHURIA (MANCHUKUO)—*Conte.*

	1928-32		1933-37	
	Value 1,000 Yen	Quantity 100 Kin	Value 1,000 Yen	Quantity 100 Kin
Brass, total	165	3,357	113	2,218
Auto parts	.....	.....	3,278	.....
Electrical machinery	8	148	667	9,244
Electric motors and dynamos	.....	.....	501	6,665
Telephone instruments	30	.....	209	.....
Radio sets	.....	.....	107	.....
Telephone instrument parts	.....	.....	172	.....
Insulated electric wire	15	335	556	9,327
Lamps and parts	28	.....	392	.....
Cycles and parts	.....	.....	497	.....
Machinery parts and accessories	.....	.....	6,417	.....
Machinery, metal and wood-working, and parts	.....	.....	408	9,878
Spinning machinery	22	613	494	14,032
Spinning machinery parts	.....	.....	430	10,971
Weaving machines	.....	.....	153	5,676
Pumps and parts	.....	.....	188	3,577
Other machinery	.....	.....	5,189	.....
Railway accessories	.....	.....	85	.....
Iron manufactures, total	156	.....	2,778	.....
		M Bd. Ft.		M Bd. Ft.
Softwood logs and cants	.....	.....	257	7,064
Sawn softwoods	.....	.....	124	1,601
Sawn hardwoods	.....	.....	65	745
		M Sq. Ft.		M Sq. Ft.
Plywood	.....	.....	105	2,792
		100 Kin		100 Kin
Papers, total	302	16,562	2,938	135,871
Printing paper	103	8,044	539	31,440
Cotton yarn	1,630	18,544	5,217	55,649
		M Sq. Yd.		M Sq. Yd.
Cotton cloth, grey	.....	.....	13,980	69,629
Cotton cloth, bleached	.....	.....	2,885	16,022
Cotton cloth, other	.....	.....	23,249	86,271
Silk fabrics	301	.....	481	513
Silk crepes	.....	.....	161	100
Staple fibre fabrics	(1937 only)	.....	935	2,039
Artificial silk fabrics	87	.....	1,106	3,733
Artificial silk crepe	.....	.....	194	414
		Doz.		Doz.
Cotton towels	.....	.....	221	222,000
Handkerchiefs	.....	.....	80	157,000
		100 Kin		100 Kin
Blankets of cotton	26	332	439	7,362
Table cloths	.....	.....	15	103
Rags, total	.....	.....	232	14,527
Staple fibre, including threads, twines	(1937 only)	.....	4	24
Staple fibre yarns	(1937 only)	.....	3,559	31,798
Artificial silk	.....	.....	41	385
		Doz.		Doz.
Socks and stockings of knitted cotton	.....	.....	120	69,000
Cotton drawers, undershirts	117	19,000	1,323	246,000
Hats, caps, bonnets	57	7,000	883	166,000
Rubber boots and shoes	.....	.....	398	59,000
Boots and shoes with rubber soles	.....	.....	2,543	413,000
		100 Kin		100 Kin
Woollen or worsted yarn	.....	.....	1,751	6,433
Woollen knitting yarn	(1937 only)	.....	2,093	6,169
		M Sq. Yd.		M Sq. Yd.
Wool fabrics	.....	.....	1,830	1,626
Wool serge	.....	.....	1,094	839
Toys	23	.....	296	.....
		1,000 Gross		1,000 Gross
Buttons, total	29	.....	253	1,189

* Includes all other metals except ores, aluminium, copper, lead, tinfolils, antimony, brass and magnesium, but including iron.

RESUMPTION OF PRIVATE TRADE WITH BELGIUM

The Belgian Government have expressed their intention of re-establishing private trade with most countries for all industrial products and raw materials, except those under Combined Board allocation and food items. Hitherto Belgian purchases in Canada have been made through official government agencies, but from now on Canadian exporters may expect to receive inquiries direct from private Belgian importers. A licensing system for imports has been set up in Belgium, and Canadian exporters, before confirming orders, should satisfy themselves that the relative import licence has been procured.

To allow them to make available for private trade certain funds which are accruing to them in Canada, the Belgian Government have requested that exports from Canada to Belgium be permitted against payment in Cana-

dian dollars and, in view of the circumstances, the Foreign Exchange Control Board have agreed to this proposal as an exception to their general policy of requiring payment in United States dollars from countries not included in the sterling area. Accordingly, the Board will in the course of the next few days instruct banks that, on application by exporters, they may approve Form B.13-B covering exports from Canada to the Belgian area, which, in addition to Belgium, includes Luxembourg, the Belgian Congo and Ruanda Urundi, for payment in Canadian dollars from a Belgian area account. It should be particularly noted that exporters shipping goods to the Belgian area for payment in Canadian dollars should submit Forms B.13-B to their authorized dealers for this purpose before tendering them to Customs.

ECONOMIC, TRADE AND PRODUCTION NOTES

Brazil

INCREASED VOLUME OF IMPORTS

Imports for the period, January-August, 1945, amounted to 2,928,000 tons as compared with 2,440,000 tons for the same period in 1944, an increase of 20 per cent.

Marked increases occurred in the following: wheat, flour, beverages, iron and steel manufactures, machinery and apparatus, transport equipment, including petrol, coal and lubricating oils.

The United States supplied 55 per cent of the imports; Argentina, 26; Great Britain and Trinidad, 4 each; Portugal, 3; and Canada, 1 $\frac{3}{4}$ per cent.

India

HIGHWAY DEVELOPMENT

The Central Government has recently outlined a policy whereby it will be responsible for the construction and

maintenance of all trunk roads in the country. This will leave the provinces to concern themselves with local road schemes, which will be complementary to the main highway system.

The important task of repairing and otherwise improving existing main highways, of connecting them where necessary, and of undertaking new construction will commence fairly shortly. Plans are already under way to import several thousand steam rollers for use in this work.

United Kingdom

MERCHANT SHIPBUILDING

There were 392 merchant vessels of 1,612,810 tons gross under construction in Great Britain and Ireland at the close of the quarter ended December 31, 1945, according to returns compiled by Lloyd's Register of Shipping. These returns take into account only vessels of 100 tons gross and upwards, the con-

struction of which has actually been commenced, and also do not include vessels being built at merchant ship-building yards to the order of the Admiralty for naval purposes solely.

The tonnage under construction at the end of 1945 was 116,567 tons more than that in hand at the end of the previous quarter and 471,105 tons

greater than the tonnage being built at the end of 1944. It included two vessels of 25,000 to 30,000 tons, one of 15,000 to 20,000, 14 of 12,000 to 15,000, 19 of 10,000 to 12,000, 59 of 8,000 to 10,000, and 36 of 6,000 to 8,000 tons. Of the total, 373 vessels of 1,549,299 tons gross are intended for Great Britain and Ireland.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial and business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia); and Mr. S. G. MacDonald, Commercial Secretary to Norway (territory includes Denmark). Their itineraries as presently arranged are as follows:—

Mr. MacDonald

Ottawa—Mar. 11 and 12.

Mr. Mutter

Montreal and district—Mar. 11 to 15.

Quebec City—Mar. 16.

Kingston and Brockville—Mar. 18.

Oshawa—Mar. 19.

Toronto and district—Mar. 20 to 30.

Windsor and district—Apr. 1.

London and St. Thomas—Apr. 2.

Hamilton and district—Apr. 3 to 5.

Firms wishing to confer with any of these Trade Commissioners should communicate: for Ottawa, with the Department of Trade and Commerce; for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers' Association; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

INCREASED DUTIES ON TINNED PLATES FURTHER DEFERRED

Deferred duties under Australian customs tariff item No. 147, "iron and steel plates and sheets, plain tinned", that were to have gone into effect on January 1, 1946, have been further deferred until January 1, 1947. Present rates are free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff. Deferred rates are 76s. per ton (2,240 pounds) under the British preferential tariff and 115s. per ton under the general tariff. The British preferential tariff applies to imports from Canada, and the general tariff to those from all countries outside the British Empire.

New Zealand

LICENCES FOR IMPORTATION OF GOLOSHES

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, advises that, under an amendment to the New Zealand Import Licensing Schedule, published November 28, 1945, it has been decided that, for the 1946 licensing period, licences will be granted for imports of goloshes from Canada to the extent of the licences granted for the importation of such goods from that source during 1944.

IMPORT LICENSING AMENDMENTS

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, advises that decisions of the New Zealand Customs Department, published January 3, 1946, provide for amendments

to the Import Licensing Schedule for the 1946 period in respect of certain imports, including the following:—

Licences will be granted for imports of spare parts for motor vehicles (Tariff Item No. 389C) from Canada and from the United States during 1946 for amounts equivalent to those for which licences were granted for imports of similar goods from the same sources in 1941. Previously licences to import from these countries were deferred.

It has been decided to grant licences for imports of firearms from any source to the extent of 50 per cent of the value of imports of such goods from all sources in 1938. Prior to this amendment, no allocation was made for imports of these goods from any country.

Licences for imports of anvils from all countries during 1946 may be granted to the extent of the value of licences granted to the applicant for imports of such goods from the same source in 1941. Previously licences to import from any country were deferred.

The allocation in the 1946 licensing schedule for imports of artificers' tools (excluding spades, stamped-steel open-socket types, and shovels) from the United Kingdom and other British countries, including Canada, has been placed at 100 per cent of the value of imports of such goods from the same sources in 1938. Formerly imports of these goods from Canada were in the deferred category.

IMPORT LICENSING OF MOTOR VEHICLES

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, writes under date February 1, 1946, that the New Zealand Minister of Customs has announced that the allocation of imports of motor vehicles from the United Kingdom has been increased and that provision is now made for imports from Canada and the United States.

The new provisions, in respect of British vehicles, permit the importation of commercial chassis to the extent of 150 per cent of the value of 1938 imports and of assembled and unassembled passenger cars to the extent of

100 per cent and 110 per cent respectively of the value of imports from the United Kingdom during the same period. The quotas allotted to Canada and the United States for 1946, based on the value of imports of the same items in 1938, have been set at 50 per cent in the case of unassembled commercial chassis, 35 per cent for unassembled passenger cars, and 25 per cent for assembled cars.

The original allocation for 1946 provided for imports from the United Kingdom amounting to 100 per cent of the value of imports in 1938 of unassembled commercial chassis and 75 per cent of the value of imports during the same period of passenger cars, assembled and unassembled. No provision was made for the importation of motor vehicles from any other country.

Importations from the main supplying sources in 1938, according to New Zealand statistics, were as follows:—

Unassembled commercial chassis—		No.	Value
United Kingdom	1,440	£	335,818
Canada	2,411		363,406
United States	1,139		206,610
Motor cars—			
United Kingdom:			
Unassembled	9,538		1,507,605
Assembled	8,068		1,285,650
Canada:			
Unassembled	7,697		1,212,445
Assembled	39		8,728
United States:			
Unassembled	1,954		284,996
Assembled	859		162,579

The total number of cars, assembled and unassembled, was 28,055.

The Trade Commissioner states, that in view of the prevailing high prices for British passenger cars, it has been estimated that the new quota will permit the importation of probably half the number imported in 1938, or about 8,800. Nevertheless, this number represents about 1,800 more than would have been permitted importation under the original allocation.

In the absence of data with respect to Canadian and United States prices of cars, it is estimated by the Motor Dealers' Association of New Zealand that the number that may be imported in 1946 is approximately 2,000. Therefore, the total number of passen-

ger cars that will be permitted entry from all sources is estimated at under 11,000 as compared with imports in 1938 of over 28,000.

Brazil

EXCHANGE CONTROL REGULATIONS RELAXED

Mr. M. Bélanger, Commercial Secretary, Canadian Embassy, Rio de Janeiro, cables that a Brazilian decree-law, effective February 28, 1946, relaxes Brazilian control on the transfer of dividends on foreign capital and the export of foreign capital. It also reduces the net selling rate of United States dollars to importers from 20·50 to 20·10 cruzeiros and increases the net buying rate from exporters from 18·46 to 18·74 cruzeiros with the possibility of a further increase in the latter rate.

Cayman Islands

TONNAGE TAX LAW RENEWED

Mr. M. B. Palmer, Canadian Trade Commissioner at Kingston, Jamaica, reports that the Cayman Islands tonnage tax law, which expires on December 31 of each year, has been

continued for a further twelve months, ending December 31, 1946.

The normal tonnage taxes are: 6d. on packages not exceeding $\frac{1}{2}$ cwt.; 1s. if exceeding $\frac{1}{2}$ cwt. but not 1 cwt.; 2s. if exceeding 1 cwt. but not 4 cwt.; 6d. on each cwt. in addition to 4 cwt.

Newfoundland

PRICE CEILING ON CABBAGE INCREASED

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, writes under date February 27, 1946, that the Commissioner for Supply of the Newfoundland Government, by Public Notice dated February 23, has ordered that the price of cabbage sold by retailers shall not exceed fifteen cents per pound. Under the same order the price of cabbage to retailers is not to exceed twelve cents per pound. The order, which is made under Regulation 2 of the Defence (Price of Goods) Regulations, 191, cancels a previous order made in January (see *Commercial Intelligence Journal* No. 2192; February 2, 1946) fixing the retail selling price at twelve and one-half cents per pound and the price to retailers at ten cents per pound. The regulation became effective on February 25, 1946.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

10. Greece—Mr. D. Peskedjis, 9 C. Palma Street, Athens, Greece. This firm, which has been favourably reported upon, is interested in the importation of the following items

and the representation of Canadian manufacturers: Optical products; frames; photographic films, papers, plates and cameras; instruments of measurement; woollen and cotton cloths and yarns; chemical and pharmaceutical products; and surgical instruments. File 17040.

11. Greece—K. Karayannis & Co., Karitsi Square, Athens, Greece. This firm, which gives as references the Commercial Bank, Popular Bank, and Bank of Greece, and represents itself as being the leading firm in the electronic field in Greece since 1932, is interested in getting in touch with Canadian manufacturers and exporters of the following articles and acting as exclusive distributors for Greece: Radio sets and parts; telecommunication equipment; television sets; radar sets; cables and wires in general; electro-medical apparatus; sound and public-address equipment; motion-picture equipment; power-generating plants; phono-motors and record changers and household appliances. File 17040.

POSTAL SERVICES AND RATES

Following is a summary of a recent notice issued by the Post Office Department concerning postal services and rates from Canada:—

Parcel Post to Cuba Resumed!

Direct parcel post service from Canada to Cuba has been resumed, and parcels for this destination may now be dispatched by direct steamship service as well as via the United States.

Parcels for Cuba intended for dispatch by the direct route should be prepaid at rates ranging from 55 cents for one pound to \$1.60 for eleven pounds. Parcels intended for dispatch via the United States should be prepaid at the rates applicable and legibly marked "Via U.S.A." The postage rates applicable for parcels via the United States are amended and, until further notice, will range from 55 cents for one pound to \$2.80 for eleven pounds.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Feb. 25	Nominal Quotations Mar. 4
Argentina ..	Peso	Off. .3282	.3282
		Free .2690	.2696
Australia ..	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia ..	Boliviano	.0262	.0262
British West Indies (except Jamaica).....	Dollar	.9250	.9250
Brazil ..	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile ..	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia ..	Peso	.6282	.6282
Cuba ..	Peso	1.1025	1.1025
Czechoslovakia ..	Koruna	.0220	.0220
Denmark ..	Krone	.2296	.2296
Ecuador ..	Sucre	.0816	.0816
Egypt ..	Pound	4.5538	4.5538
Eire ..	Pound	4.4400	4.4400
Fiji ..	Pound	4.0090	4.0090
Finland ..	Markka	.0081	.0081
France and North Africa.....	Franc	.0092	.0092
French Empire—African.....	Franc	.0157	.0157
French Pacific possessions.....	Franc	.0222	.0222
Haiti ..	Gourde	.2205	.2205
Hongkong ..	Dollar	.2775	.2775
Iceland ..	Krona	.1702	.1702
India ..	Rupee	.3330	.3330
Iraq ..	Dinar	4.4400	4.4400
Italy ..	Lira	.0111	....
Jamaica ..	Pound	4.4400	4.4400
Mexico ..	Peso	.2268	.2268
Netherlands ..	Florin	.4153	.4153
Netherlands West Indies ..	Florin	.5842	.5842
New Zealand ..	Pound	3.5698	3.5698
Norway ..	Krone	.2220	.2220
Palestine ..	Pound	4.4400	4.4400
Peru ..	Sol	.1709	.1709
Philippines ..	Peso	.5512	.5512
Portugal ..	Escudo	.0444	.0444
Spain ..	Peseta	.1009	.1009
Straits Settlements ..	Dollar	.5180	.5180
Sweden ..	Krona	.2627	.2627
Switzerland ..	Franc	.2563	.2563
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4400	4.4400
United Kingdom ..	Pound	4.4400	4.4400
United States ..	Dollar	1.1025	1.1025
Uruguay ..	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
		.... .3261	.3261
Venezuela ..	Bolivar		

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 331, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

OTTAWA, MARCH 16, 1946

INDUSTRIALIZATION IN MEXICO

By D. S. COLE, *Commercial Counsellor, Canadian Embassy in Mexico*

Under the Ley de Industrias de Transformación de 1939, which was designed to encourage capital investment in manufacturing industries in Mexico, some 400,000,000 pesos had been invested up to the end of 1944. Mill manufactures absorbed 32 per cent of this new capital, and employed 4,000 workers. Pulp, wood and paper took 19.6 per cent of the new capital; construction materials, 12 per cent; and chemicals 6.5 per cent. The Federal District (Mexico City) obtained 67.4 per cent of the new plants, 26.1 per cent of the capital and 53.5 per cent of new employment.

For the first three months of 1945, the Public Registry reported 13,200,000 pesos invested in 31 new enterprises. By June 30, 1945, the number of new companies had increased to 230, with a total capital investment of 23½ million pesos. Sixty-seven of these were engaging in the production of metalware and light machinery, 29 in foodstuffs, 36 in chemicals, and 55 in leather goods, glass, rubber and lumber.

Between July 1 and September 30, a further 160 firms were added to the Public Registry, with aggregate capital of 27,600,000 pesos. Twenty of these companies are engaging in the production of foodstuffs and beverages, nine

in that of construction materials, 41 in the manufacture of metal products and 10 in the preparation of chemicals.

In addition, 73 new enterprises were registered in the Treasury Department between January 1 and August 31, 1945, with an aggregate capital of 55,700,000 pesos. These companies will manufacture, or are already manufacturing, aluminum ingots, sheets and containers, refrigerators and enamelware, gas ranges, plastic products, rugs, electric insulators, looms, steel piping, and machinery for dehydrating foods.

Eight other new major industrial plants were starting production at the beginning of 1946. Their products and capital are as follows: asbestos cement, 4,000,000 pesos; rayon goods, 20,000,000 pesos; cement (2), 3,800,000 and 2,000,000 pesos; caustic soda and soda ash, 5,000,000 pesos; artificial silk, 15,000,000 pesos; all kinds of electrical appliances, 50,000,000 pesos; tin and aluminium foils and similar products, 7,745,000 pesos.

The foregoing figures have been published in the press by the Banco Nacional de Mexico and by the Camara de la Industria de Transformación, the latter founded about eighteen months ago to represent the heavier industries.

POINTS FOR EXPORTERS TO FIJI

Prepared by the Canadian Trade Commissioner at Auckland

Geography and Climate

The British Colony of Fiji is situated in the Southern Pacific Ocean between latitude 15 and 22 south, and longitude 178 west and 176 east. It is well within the tropical belt, being midway between Tonga and the French Colony of New Caledonia. The group comprises some 250 islands, the large-

est, Viti Levu, having an area of 4,053 square miles. Other large islands are Mauna Levu (2,128 square miles), Taveuni (166 square miles), and Kadavu (165 square miles). The total area of the Colony is 7,055 square miles.

Suva, the capital and by far the most important centre, is situated on

Viti Levu. This port has a population of nearly 20,000. It is 1,743 miles from Sydney, Australia, and 1,140 miles from Auckland, New Zealand.

The climate of Fiji is tropical, with a relatively narrow margin between summer and winter temperatures. Being in the southern hemisphere, the seasons are the reverse of those in Canada. Rainfall is fairly high, particularly in Suva and the eastern area of the island of Viti Levu. It is important when considering market possibilities in Fiji to remember the tropical conditions.

Population

In population, Fiji is predominantly coloured—Fijian and Indian—the latter having increased steadily since they began to arrive early in the 19th century to work on the plantations. In 1940 the estimated number of whites was 4,287; Fijians, 104,782; and Indians, 98,113. To-day the estimate of whites is 5,000, Fijians 110,000, and Indians 110,000. The birth rate of the Indians is higher than the Fijians. Present indications are, therefore, that before many years the Indian population will considerably outnumber that of the native Fijian.

For all intents and purposes the language of the Colony is English. Only among themselves are Fijian and the several Indian tongues used.

Resources

The economy of Fiji has been based principally on the production and crushing of sugar cane. Production of raw sugar in 1943 totalled 92,528 tons. The average yearly figure was close to 100,000 tons in normal years.

Copra is next in importance—the climate and soil being admirably suited for its production. Production in 1943 was just over 17,000 tons. This industry has experienced periods of great prosperity and depression. To-day the demand for copra in overseas markets is steady and good, with resulting prosperity to the traders and producers.

Banana growing has been carried on for many years with varying success. During the war production declined seriously, but by 1947 it is expected that the industry will have regained its important position. Exports in 1943 were 154,000 bunches as compared with over 300,000 bunches in 1939. The Fijian banana is of excellent quality. Given greater export markets the industry is capable of considerable expansion.

The canning of locally grown pineapples is assuming importance. The product compares favourably with the Malayan and Hawaiian packs and the outlook is regarded as very promising. In 1941 exports were valued at £F25,630, comprising 1,297,200 pounds weight of canned pineapples. Post-war production for export is expected to exceed these figures.

Other industrial activity of lesser importance includes a very limited production of raw rubber—of importance in wartime; production of ships' biscuits in sufficient quantity for local needs and for ships' stores; manufacture of laundry soap; extraction of vegetable oil from copra; and production of molasses for local consumption and export.

Deposits of gold have been mined on an increasing scale since 1932 and to-day gold production is valued at just under £F1,000,000 per annum. The ore averages half an ounce of gold per ton.

Foreign Trade

The total value of Fiji's exports and imports for the year ended December 31, 1944, was £F4,574,494, being approximately £500,000 less than the figure for 1943, but well up to the average of the previous five-year period. Exports in 1944 were valued at £F2,008,304 and imports at £F2,586,190, showing an excess of imports to the value of £577,886. Fiji normally has a substantial balance of exports over imports. During the latter war years this was upset by the large importations of war materials and equipment.

Exports consist principally of sugar, copra, gold and bananas.

Among the leading imports in value are machinery; galvanized iron; hardware; drapery; flour; sharps and pol-lard; beer and spirits; bags and sacks; canned fish; fresh fruits and vegetables; electrical goods; timber; drugs and medicines; motor oil; electrical goods; rope and twine; tobacco; fancy goods and toilet requisites; boots and shoes; edible oils; cement; meats; paints; soaps; glassware and crockery; motor vehicles and parts; tires and tubes.

Principal sources of pre-war and wartime supply have been the United Kingdom, Australia, New Zealand, United States, India and Canada. In 1938 the proportions of total imports from each were as follows: United Kingdom, 33.1 per cent; Australia, 29.9; United States, 7.7; India, 6.3; Canada, 6; New Zealand, 3 per cent. In 1943 the proportions, under the influence of wartime factors, were: United Kingdom, 12.1 per cent; Australia, 37; United States, 10.3; India, 14.2; Canada, 4.2; New Zealand, 17.3 per cent.

Trade with Canada

The values of imports from, and exports to, Canada during the years 1939 to 1943 inclusive were:—

	Imports £F	Exports £F
1939	117,342	800,441
1940	81,946	701,243
1941	176,680	775,306
1942	108,738	451,225
1943	115,078	404,503

Principal commodities imported from Canada have been canned fish, fresh fruit and vegetables, rough and dressed timber, rope and twine, motor vehicles, wrapping paper and paper bags, tires and tubes, lamps and stoves, electrical apparatus, and miscellaneous hardware.

Canada's interest in Fijian produce has been chiefly in bananas, canned pineapple, sugar and trochus shell, with copra added latterly.

Import Restrictions

Since September, 1939, all imports into the Colony have been prohibited except under licence. No definite schedule of those items permitted entry and those prohibited or restricted has been laid down, but in general the system followed has been to prohibit all luxury articles and to restrict all other items in accordance with their degree of essentiality, their source of origin, and the exchange available to pay for them.

As the war progressed and the need of the United Kingdom for dollar currency became vital, the control of expenditure by Fiji of such currency was tightened. The position has been that only goods and materials not available from within the sterling area and absolutely essential to the economy of the Colony are permitted entry from dollar countries. Thus Canada's participation in the trade of Fiji has been confined to the supply of timber, fish, rope and twine, paper and certain miscellaneous items.

Tariff

The tariff of Fiji is designed entirely for the purpose of revenue. While it gives certain protection to the biscuit, coconut oil, soap and molasses industries, such protection is superfluous owing to the natural one of freight charges, etc. It is a two-column tariff: British preferential and general. For the most part the preference given goods from British Empire sources is 20 per cent. During the war, however, on all items other than foodstuffs the general spread from 20 to 40 per cent between the British preferential and general rates was changed to 25 to 50 per cent. A port and customs service tax of 2 per cent ad valorem on all items, regardless of origin, was at the same time raised to 5 per cent.

The following are the classes of goods deemed to be the produce or manufacture of the British Empire, the produce or manufactures of which are

entitled to be entered for duty under the preferential tariff:—

- (a) goods wholly the produce of such countries;
- (b) goods wholly manufactured within countries of the British Empire from materials produced in such countries;
- (c) goods wholly manufactured within such countries on which all manufacturing processes are performed in such countries;
- (d) goods partially produced or manufactured in such countries; provided that the final process or processes of manufacture have been performed in such countries and also that the expenditure in material produced in such countries and labour performed in such countries in each and every article are together not less than one-half of the factory or works cost of such article in its finished state or one-half in the case of a specified list of goods.

Opportunities for Canadian Products

Fijian interest in Canadian products does not cover a wide range, but for the most part is centred on canned fish, timber, paper and paper products, and motor tires and vehicles. While difficulty exists over dollar exchange, purchases from Canada will continue at a minimum and will comprise only essential items not available from sterling sources. Under such conditions, there is little prospect of business other than in fish, timber, paper, and in a few items such as lamps, cotton dresses, piece-goods, certain mining requisites, etc. These last few manufactured lines represent only a very small value content.

Under normal conditions, Canada's place in the trade of Fiji would be of greater importance and involve also shipments of motor tires, rubber and canvas shoes, novelties, electrical apparatus and appliances, cordage, leather products, whisky, etc.

Distribution Channels

Suva is by far the most important centre in Fiji. It is the chief port

and, in fact, may be regarded as the only one from an overseas viewpoint, as all the mail and cargo boats call there, and very rarely does a large cargo boat proceed elsewhere in Fiji. Suva is connected by coastal boats and cutters with the other important centres in the group, and by road to the interior of the principal island. There has been a vast improvement in the roads to the interior in recent years.

The principal merchant houses have their head offices in Suva, with branches or agencies in the other centres. Several large and well-established European firms engage in the wholesale and retail trade and conduct their own import business, either buying direct from overseas firms or through branches or purchasing agents in the principal countries. These merchant houses sell wholesale to the responsible East Indian and other retailers, as well as conducting retail stores of their own. There are also several firms of European indent agents or manufacturers' representatives, who sell to the merchant houses and also in most cases to the East Indian and Chinese traders. The European merchant houses usually prefer to deal direct with the suppliers rather than through agents in Fiji.

Regardless of whether contact is made direct with the merchants or through a representative in Fiji, a complete distribution throughout the Colony may be secured through Suva firms. In most cases (although there are outstanding exceptions) manufacturers may quote all of the merchant houses, as it is not the usual practice for a merchant to request sole distribution rights for any line.

Currency, Weights and Measures

Being a British colony, currency, weights and measures are to English standards. The Fijian pound is currently (1945) equal approximately to \$3.98 Canadian.

Banking

The Colony's banking business is carried on by branches of New Zealand and Australian banks, namely, the Bank of New Zealand and the Bank

of New South Wales. There are no branches of Canadian banks in the Colony.

Documentation

Invoices and certificates of value and origin in an authorized form are required to entitle Canadian goods to be entered under preferential rates of duty. The forms are similar to those in use in other British countries, and details may be obtained from the Department of Trade and Commerce, Ottawa. While only two copies of the invoice are required to be produced for the Customs Department, it is recommended that three copies be forwarded to the importer of the goods. No consular invoices are required.

Quotations and Terms

Fiji has its own currency of pounds, shillings and pence. The European merchant houses and agents are fully conversant with quotations in dollars, although quotations in sterling are appreciated, since most purchases are from the United Kingdom, Australia, or New Zealand. Canadian quotations should be f.o.b. Vancouver, at least. It is impossible in Fiji to ascertain the inland freight rates in Canada.

The merchant firms in Suva are usually prepared to pay for their Canadian purchases by letters of credit or through purchasing agents. In some instances terms of cash against documents may be desired, and it is believed that such terms may be extended without hesitation. In the case of East Indian and other traders, caution in granting terms is usually to be recommended, although some of these firms are of undoubted integrity. The two trading banks in Suva, the Bank of New Zealand and the Bank of New South Wales, are always ready to provide credit reports, and it is as well to obtain these before extending terms to other than the recognized merchant houses. Information is on file in the Department of Trade and Commerce, Ottawa, respecting the better known firms. The Canadian Trade Commissioner at Auckland, New Zealand, can obtain additional details if required.

Mail Rates

Ordinary letter mail rates from Canada to Fiji are four cents for the first ounce and two cents for each additional ounce. The airmail rate is 65 cents per half-ounce, weight being limited to two ounces.

The rate by surface mail for newspapers and periodicals is 1½ cent per pound; for catalogues and samples, one cent per two ounces, with a limit of one pound weight and 18 by 8 by 4 inches in size.

Rates for parcel post routed via Vancouver are: up to and including 10 pounds, 12 cents per pound; over 10 up to 15 pounds, \$1.60; over 15 up to 20 pounds, \$2.25. For parcels routed via San Francisco, the respective rates are 25 cents, \$3 and \$3.50.

Samples, and in many cases shipments of merchandise, can usually be forwarded to Fiji at less cost and inconvenience and more expeditiously by parcel post than by freight or express. The same commercial invoices and certificates of value and origin are required for parcel post as for freight shipments.

Taxation of Non-resident Traders

Agents of overseas firms resident in Fiji are required to take out a licence costing £F30 per year. A merchant who acts as an agent as well as wholesaler or retailer is not required to pay any tax of this nature. Commercial travellers are taxed at the rate of £F7 10s. per quarter, the minimum charge being for one quarter.

Marking Regulations, Samples and Packing

Nothing is laid down in respect of marking packages or registering trade marks.

Samples are given free entry provided they are of reasonable quantity and of no commercial value. Catalogues are also entered free of charge.

Packing requirements are those for hot climates. Food and any other perishable substance should be packed, if possible, in tins or otherwise protected against heat and damp.

Transportation

Shipping services to Fiji during the war were irregular. After the introduction of the Park Line services, communications with Vancouver provided a fairly satisfactory carriage as required by the reduced tonnage offering. This service included New Zealand and Australian ports. Messrs. W. R. Carpenter & Co. maintained one ship on the Vancouver-Sydney run via Suva.

Before the war the Canadian Australasian Line maintained a four-weekly service from Vancouver to Suva, Auckland and Sydney. The Matson Line operated a similar service out of San Francisco. There was no direct service from Eastern Canadian ports.

No commercial air link has yet been established between Fiji and North America.

Suggestions for Visitors

The months of May, June, July and August are considered the most pleasant period to visit Fiji, these months being the Colony's "winter time". The climate then, although hot, is not excessively so, the temperature averaging

in the 80's. Light clothing, preferably cottons, are the order of dress, with warmer covering for the evenings. Waterproofs are always needed, particularly in Suva and the eastern section of the Island.

Unless for inspection of sugar, pineapple or mining industries, there is little need to travel outside of Suva. The headquarters of all the business houses are located there, and these maintain contact with outlying districts and other Islands of the group. Hotel accommodation is first class.

Funds are best arranged by letter of credit, or carried in travellers' cheques. The Union Steam Ship Company's association with the Canadian Pacific makes for easy adjustments and its officials attend to all needs of the traveller.

A tax of £F7 10s. per quarter, as noted above, must be paid by all persons visiting the Colony for the purpose of doing business. When goods are brought in for sale or as samples, a guarantee must be given that duty will be paid on any that are sold, or a deposit—which will be refunded, if necessary—be left with the Customs Department to cover assessed duty.

SEARCH FOR RAW MATERIALS FOR PAPER

Up to the end of the eighteenth century paper had been made from linen or cotton rags; but, with the increasing rise in the use of paper for books, newspapers and magazines the supply of rags became insufficient to meet the fast-growing demand. So much so that, even a hundred and seventy years ago, there was a "drive" with the slogan "Save Your Rags". Thus began the serious quest for a substance that was readily accessible, abundant, cheap and easily convertible into paper.

Strictly speaking, the search had already begun, and from Reaumur in 1719, through Quettard, Schaffer, Delisle, and Thomas Greaves to Matthias Koops, the greatest of all, in 1800, a long catalogue of materials was experimented with. A complete list would take up too much space and it may suffice to say that it included hemp, straw, reeds, cabbage and burdock stalks, potatoes (both the skins and the insides), nettles, thistles, hops, mosses, linden leaves, osier bark and dandelion roots—surely a comprehensive selection . . .

Reaumur, the French physicist and naturalist (1683-1757), . . . first, through his observation of the habits of wasps and of the wood filaments used by them to construct their nests, suggested the use of wood. He noted that the wasps selected dry wood which they rasped or sawed by mastication, mixing the macerated matter with a natural size exuded for the purpose, and then working the paste and spreading it in the manner of a sheet of paper.

In 1801 Matthias Koops . . . made paper from straw alone; he was, indeed, the first man in the Western world to produce commercially made paper from vegetable fibres other than those of linen and cotton rags. Moreover, in a book which he published in 1800 were included a few pages made from wood alone. His, therefore, was the first practical paper made from wood. He had, in fact, proved that wood was a substitute for rags.

—From *The World's Paper Trade Review*

ECONOMIC, TRADE AND PRODUCTION NOTES

British Guiana

EXTERNAL TRADE IN 1945

Total imports into British Guiana in 1945 were valued at \$20,888,034, as reported by *The Commercial Review* (Georgetown). This figure compares with \$22,123,701 for 1944. Exports of British Guiana produce were valued at \$21,257,246 for 1945, as against \$23,995,318 for 1944.

Imports from Canada in 1945 were valued at \$8,870,106, from the United Kingdom at \$4,048,973, from other British possessions at \$2,005,111, and from foreign countries at \$5,963,844.

Exports to the United Kingdom in 1945 showed a substantial gain, being valued at \$7,389,005 as compared with \$6,634,479 in 1944; while those to Canada were slightly lower at \$7,232,872 as against \$7,347,484. The United Kingdom thus regained the position of leading destination of British Guiana exports. Shipments to other British possessions were valued at \$3,578,119, a slight decline from the 1944 value of \$3,652,203; those to the United States showed a substantial gain at \$1,083,200 as compared with \$850,505; but shipments to other foreign countries dropped sharply to \$1,974,050 from \$5,510,647 in 1944.

Shipments of bauxite in 1945 were lower in value at \$3,660,637 as against \$5,411,976 in the previous year, accounting for the major part of the decline in the export total. Among other more important commodities, lower values were recorded also for balata, sugar and under-proof rum, while export values were higher for molasses, rice, rubber, over-proof rum, timber, gold and diamonds.

Among leading imports in value, there were substantial declines in bags (for sugar, rice, etc.), beef, boots and shoes, butter, cheese, cement, manures, oils and tobacco, and increases in sulphate of ammonia, apparel, cotton

piece-goods, electrical apparatus, flour, rubber manufactures, machinery, medicines and drugs, artificial silk piece-goods and sawn timber.

China

YANGTZE RIVER POWER PROJECT

Plans for the building of a dam across the Yangtze River for power and irrigation purposes are being currently developed, according to a foreign publication report, states *Foreign Commerce Weekly*. The dam and power station, as reported, would have an estimated ultimate capacity of 10,500,000 kilowatts, the flood-control features of the project would moderate or end the destructive floods of Central China, and the irrigation made possible by the project would greatly increase crop production from an area of about 10,000,000 acres. In addition, navigation on the Yangtze would be so improved that ships of 10,000 tons could go up to Chungking. Completion of the scheme would require, it is estimated, at least five years.

India

IMPORTS OF MOTOR VEHICLES

With the resumption of the importation of motor vehicles, principally passenger cars from the United Kingdom, United States and Canada, the question has arisen, in view of abnormal demand and the rigid wartime control of the trade, as to whether domestic business should be freed of existing restrictions on prices, sales, etc. A few 10-h.p. cars of United Kingdom manufacture have already been imported and sold under official control at as high a price as Can.\$2,000.

The Government apparently proposes to maintain a considerable degree of supervision over the business. This will probably take the form of rationing supplies to selected purchasers,

establishment of fixed prices, and the maintenance of controls over the used car market which have been in force for some time.

There is considerable demand in India for new passenger cars, but the trade in commercial vehicles will be of less importance for some years owing to wartime imports for the maintenance of essential services and the possibility that considerable numbers of service vehicles now in the country will be capable of conversion for many ordinary transport purposes.

Newfoundland

SEAL FISHERY

It has been announced that five vessels are to undertake the seal fishery, which commences usually around the beginning of March. The seal fishery in the past has played an important part in Newfoundland's economy; in 1912, 22 steel and wooden ships carried 4,000 men to the ice. The industry has declined in recent years and in 1944 no steamships undertook a voyage.

COST OF LIVING

The cost-of-living index for St. John's stood at 159.5 as of January 5, 1946 (October 1, 1938=100). This is a slight increase over 159.0, the figure at December 1, 1945, and was brought about by a rise in price of eggs and salt fish.

The Acting Secretary for Supply has issued a current maximum retail price list for St. John's, which covers the prices set under existing orders and regulations. It is emphasized that seasonal or other market considerations should have the effect of reducing prices below maximum, but in practice this has not been the case and the ruling prices of staple foodstuffs and other supplies have been continuously at or close to the ceilings. Under the Maximum Price Order the price of white bread in the Avalon Peninsula has been fixed at 14 cents per loaf; eggs, both imported and local (other than National Mark), 95 cents a

dozen; pasteurized milk, 29 cents a quart; condensed milk (16 ounces), 25 cents; evaporated milk (16 ounces), 19 cents; sirloin steak, 70 cents per pound; round steak, 65 cents per pound; hamburger steak, 55 cents per pound; fancy and choice molasses, \$1.20 per gallon; white and brown granulated sugar, 13½ cents per pound; Victory tea, 85 cents per pound; gasoline, 40 cents per gallon; soft coal, \$22 per ton; hard coal, \$35 per ton.

New Zealand

LIFTING OF MANPOWER CONTROL

Progressive steps by which it is hoped to abolish all manpower directions by March 31, 1946, were announced by the government in November.

Beginning December 6, 1945, 12 types of industry, employing 18,890 workers, were to be removed from the essentiality list. Included in this group is the teaching profession.

A further 17 industries are listed to be declared non-essential on January 31. The largest of these are building (including houses), building materials, clothing (including canvas), electricity supply and electrical trade, fertilizers, footwear, furniture, forestry, hotels and restaurants, plumbing, railways, rubber, sugar refining, tobacco, tramways, and woollen mills.

Manpower directions to hospitals and mental hospitals will cease on February 28. This will leave only the dairy, freezing, sawmilling and coal-mining industries under the cover of essentiality. The Government hopes that manpower directions in these industries will cease on March 31.

CLOTHING INDUSTRY

The progress of the New Zealand clothing manufacturing industry during the last ten years was referred to in a recent speech by the Minister of Industries and Commerce. He stated that the achievement of the industry in clothing the armed forces exclusively from its own factories, and the help given to the United Nations as well,

to the extent of 500,000 garments, is proof of its well-established position.

By the sixth year of war, the Dominion had produced 16,000,000 military garments, including 1,000,000 suits of battle-dress. Together with this contribution, which absorbed two-thirds of the capacity of the industry, minimum civilian needs were also met to an extent to avoid any serious shortage.

Figures indicating the expansion of the industry during the past decade show that in 1934-35 there were 9,394 persons engaged in making clothing in New Zealand. In 1939 there were 12,270, and returns up to June 30, 1945, showed 17,159 employed. By 1947, on the basis of recent calculations, the total is expected to reach 19,500 or 60 per cent above the level of the outbreak of war.

According to the Minister, the present policy fully protecting the local industry is to be continued in future to the extent required to maintain full employment. A wide range of items is now being manufactured, including children's wear, women's and men's, manufactured from imported materials and accessories. To a large extent all knitted underwear and woollen hosiery is produced from locally-made yarn. A good percentage of outer clothing is also made from locally-produced worsteds and tweeds.

South Africa

MARKET AMONG NATIVE POPULATION

In a report entitled "Newspapers in South Africa," printed in *Commercial Intelligence Journal* No. 2156 (May 26, 1945), mention was made of The Bantu Press (Pty.) Ltd., which publishes ten newspapers in the various languages of the 13,500,000 natives located in Northern Rhodesia, the Union of South Africa and surrounding territories.

This publishing firm has issued a brochure "Black Gold", which presents some informative figures relating to the purchasing power of the native population and also describes the

articles most in demand by these people. Copies of this booklet, forwarded by the Canadian Trade Commissioner at Johannesburg, will be loaned to interested Canadian exporters on application to the Department of Trade and Commerce (quote file No. 16776).

Palestine

EXTERNAL TRADE, JANUARY- AUGUST, 1945

Statistics of the external trade of Palestine for the eight months ended August last, issued by the Palestine Department of Statistics, show the value of imports in the period as £P26,921,980 as compared with £P23,783,937 in the corresponding period of 1944, an increase of 13.2 per cent, and the value of exports as £P12,102,161 as against £P8,567,299, an advance of 41.3 per cent.

Values of chief imports in the period were: grain and flour, £P4,094,934; animals, living, for food, £P1,147,299; feeding stuffs for animals, £P268,441; dairy produce, £P555,722; fresh fruits, nuts and vegetables, £P907,328; seeds, beans and nuts for oil, oils, fats, gums and resins, £P8,126,314; wood and timber, £P205,783; textile materials, £P293,065; iron and steel manufactures, £P366,127; machinery, £P321,764; manufactures of wood and timber, £P266,633; cotton yarns and manufactures, £P706,766; chemicals, drugs, dyes and colours, £P781,207; paper and cardboard and manufactures thereof, £P203,370; rubber manufactures, £P234,581; woollen and worsted yarn and manufactures thereof, £P190,132; silk yarn, artificial silk yarn and manufactures thereof, £P248,221; other manufactures of textile materials, £P190,132; apparel, £P148,121; tobacco and tobacc, £P305,087.

Principal exports were: fresh fruits, nuts and vegetables, £P1,019,687; seeds, beans and nuts for oil, oils, fats, gums and resins, £P2,071,139; apparel, £P614,353; chemicals, drugs, dyes and colours, £P1,062,869; oils,

fats and waxes, manufactured, £P1,-652,989.

Imports from Canada were valued at £1,664,595 and exports to Canada at £P51,899.

United Kingdom

WHOLESALE PRICES IN 1945

Wholesale prices, as measured by the Board of Trade index number, were only 1.1 per cent higher in December, 1945, than in December, 1944, showing the smallest yearly increase since the outbreak of war, states *The Board of Trade Journal*. On the whole, prices continued to rise during the earlier months, but there was a downward trend, if anything, in the latter part of the year. The December index was approximately the same as the average

for 1945 for both of the two main divisions—food and tobacco, and industrial materials and manufactures.

The index for food and tobacco showed an increase of 0.9 per cent, which was the first upward movement for any year since 1942. It was not a general advance, being due mainly to an exceptionally large increase of 38 per cent for potatoes. Coffee rose by about 10 per cent and prices for tomatoes and oranges fell 12.5 and just over 4 per cent respectively. The index for industrial materials and manufactures was 1.2 per cent higher than at the end of 1945, due principally to advances in coal, iron and steel, cotton, and other textiles. Non-ferrous metals, wool, and chemicals and oils were lower.

LIGHTING EXPOSITION AT CHICAGO

By J. M. BOYER, *Canadian Trade Commissioner at Chicago*

A Lighting Exposition will be held in the Exhibition Hall of the Stevens Hotel in Chicago from April 26 to April 30 inclusive. This exposition is sponsored by the National Electrical Manufacturers' Association and the exhibitors number over sixty United States manufacturers of lamps, lighting equipment, paint and other products directly related to illumination.

The announced purpose is to call attention to the need for greater and more intelligent use of lighting. This purpose will be achieved not only by the showing of new products but also by daily conferences and round-table discussions on practically all subjects

related to the application, use and sale of lighting equipment. The conference subjects announced are as follows: new lighting trends and methods; lighting sales; lighting service and sales training; lighting application.

The conferences will take place each morning from 9.30 to 12.30 and the exposition itself will be open each afternoon until 6 p.m. Tickets will be available to architects, electrical engineers, schoolmen, business men, public officials, utility personnel, railroad officials, oil company executives and all other industrial and commercial officials concerned with lighting.

EUROPEAN COAL PRODUCTION

Statistics published by the European Coal Organization indicate that the output in western Germany during December amounted to 41 per cent of the pre-war figure, in Holland to 46 per cent, in France to 91 per cent and in Belgium to 73 per cent. Except in western Germany, where it was only 77 per cent, employment in the coal mines was greater in these countries than before the war. The percentage was 133 in France, 114 in Belgium and 110 in Holland.

Imports of solid fuel increased in all western European countries except Germany. France received 723,000 tons in December, which was 36 per cent of pre-war imports. Belgium imported 351,000 tons or 98 per cent of pre-war imports; Luxembourg, 47 per cent; Norway, 78 per cent; and Denmark, 62 per cent. Western Germany exported to other European countries 972,000 tons; while the United States shipped 657,000 tons to Europe and Great Britain 211,000 tons.

PURCHASES OF CANADIAN EXPORT BOARD

Upwards of twenty countries have made purchases of civilian goods in Canada through the Canadian Export Board, aggregating \$366 million in value, during the period of slightly more than two years of Board operations, according to a statement recently issued by the Minister of Trade and Commerce.

The Board was established early in 1944 to meet a need which had developed, as a result of wartime trade conditions, for an official Canadian agency to co-operate with the procurement agencies of other governments wishing to purchase civilian supplies in Canada. Prior to the Board's establishment this could be done only by direct arrangements with Canadian suppliers, which would have necessitated each government setting up its own purchasing agency in Canada.

Purchases through the Board have covered a wide variety of items, as the following list of principal commodities procured, with their values, indicates:—

Agricultural machinery	\$ 13,622,418
Aircraft	79,697
Aluminum	495,289
Asbestos	970,889
Automotive parts	655,197
Box and flat cars	40,853,067
Canned fish	24,926,803
Chemicals	5,249,610
Clothing and fabrics	11,551,759
Electrical equipment	5,366,963
Explosives	350,932
Fertilizers	23,304,587
Fish oil	815,580
Food products (other than fish) ..	9,443,930
Footwear	1,946,392
Grain	14,754,383
Hardware	1,478,378
Horses	257,407
Industrial equipment and machinery	3,260,425
Knitting needles	249,493
Lead arsenate	61,337
Leather oil	23,762
Leather products	3,184,077
Linseed oil	2,234,676
Locomotives	37,585,591

Medical supplies	7,914,120
Metals	4,387,108
Mercury	104,919
Motor vehicles and tires	89,044,910
Paper products	10,183,297
Potassium chlorate	69,145
Prefabricated houses	1,205,240
Sodium chlorate	76,658
Sulphite lye	27,113
Tire cord	820,658
Trichlorethylene	161,355
Vessels	19,597,560
Welding equipment	734,569
Wood pulp	3,866,092
Woollen rags	246,276
Miscellaneous	4,094,000

The distribution of Canadian commodities purchased by the Board is likewise indicated by the following list of purchasing countries and agencies:—

Australia	\$ 18,419,681
Belgium	50,025,760
British Colonies	5,544,479
British Food Mission	198,840
French Military Mission	15,688
French Naval Mission	93,962
French Supply Council	133,073,726
Iceland	220,624
India	3,609,464
Military Relief	3,274,494
Netherlands	15,327,770
Netherlands East Indies	1,231,138
New Zealand	4,547,471
Norway	6,429,843
South Africa	1,665,115
Southern Rhodesia	583,912
United Kingdom	12,030,735
United Kingdom Commercial Corp. ..	1,193,795
UNRRA	61,941,131
U.S.S.R.	782,730
Others	3,596,956

The operations of the Board have served to maintain—and, in some cases, increase—the flow of Canadian civilian goods to countries with which Canada has had long trading relations and thus have preserved export connections which might have been lost. In some cases they have also led to the opening of new markets and to sales of Canadian products never previously sold abroad or never sold in a particular country.

CANADA'S EXTERNAL TRADE IN JANUARY

The external trade of Canada, excluding gold, was valued at \$331,653,000 in January, 1946, as compared with \$357,595,000 in the preceding month and \$363,546,000 in the corresponding month of 1945, according to figures released by the Dominion Bureau of Statistics.

Exports

The total value of merchandise exported in January this year was \$189,090,000 as compared with \$230,498,000 in January, 1945. Exports of non-war commodities rose from \$115,602,000 in January last year to \$188,981,000, while the total for the war materials group fell from \$114,896,000 to \$109,000.

Imports

The value of Canada's merchandise imports in January, 1946, amounted to \$140,309,000 as compared with \$129,685,000 in the corresponding month of last year, an advance of 8.2 per cent. Commodity imports from the United States, the principal source of supply, were valued at \$97,404,000 as against \$101,816,000, a decline of 4.3 per cent, while the total from the United Kingdom was \$20,068,000 as compared with \$9,393,000, an increase of 113.6 per cent.

Merchandise imports from British India were valued at \$4,339,000 (\$6,-

054,000 in January, 1945); Venezuela, \$1,595,000 (\$960,000); Mexico, \$1,415,000 (\$732,000); Brazil, \$1,412,000 (\$251,000); Cuba, \$1,211,000 (\$422,000); Colombia, \$1,198,000 (\$842,000); British South Africa, \$1,052,000 (\$360,000); and Jamaica, \$1,006,000 (\$746,000).

Seven of the nine main commodity groups recorded increases in January this year over last. Imports of agricultural products rose from \$19,201,000 to \$25,034,000, animals and animal products from \$3,841,000 to \$5,515,000, fibres and textiles from \$16,683,000 to \$20,690,000, wood and paper from \$3,595,000 to \$4,837,000, non-ferrous metals and products from \$8,006,000 to \$8,559,000, non-metallic minerals and products from \$16,059,000 to \$22,827,000, chemicals and allied products from \$6,146,000 to \$7,329,000, while iron and its products fell from \$32,588,000 to \$31,881,000, and miscellaneous commodities from \$23,564,000 to \$13,638,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of January, 1945 and 1946:—

Imports by Principal Countries

	Month of January	
	1945	1946
	\$	\$
All countries	129,684,805	140,309,205
British Empire	21,429,255	29,747,928
United Kingdom	9,392,598	20,067,619
British East Africa	190,752	15,269
British South Africa	360,249	1,052,474
Southern Rhodesia	5,603	6,861
British West Africa	650,603	128,404
Bermuda	2,532	2,653
British India	6,053,652	4,339,434
Ceylon	1,463,849	433,597
British Guiana	464,331	28,836
British Honduras	36,877	65,689
Barbados	129,752	103,907
Jamaica	745,795	1,006,108
Trinidad and Tobago	152,625	72,896
Other British West Indies	194,930	96,760

	Month of January	
	1945	1946
	\$	\$
Malta .....	.....	6,847
Newfoundland	432,606	333,163
Australia	501,975	713,748
Fiji	260	638,124
New Zealand	595,306	582,601
Palestine	54,145	52,938
Foreign countries	108,255,550	110,561,277
Afghanistan	5,875	340,716
Argentina	725,982	542,384
Belgium	74	113,243
Belgian Congo .....	.....	43,633
Bolivia	5,385	.....
Brazil	251,211	1,411,611
Chile	44,787	45,955
China .....	.....	17,918
Colombia	841,579	1,197,586
Costa Rica	24,959	44,031
Cuba	422,203	1,210,659
Ecuador	170,335	7,813
Egypt	25,090	33,241
France	797	88,328
French Africa .....	.....	72,019
Madagascar	19,556	12,752
Guatemala	28,225	106,945
Haiti (Republic of)	15,904	156,433
Honduras	408,026	709,553
Iraq	434,842	814,983
Mexico	732,035	1,415,442
Morocco	23,090	3,110
Netherlands	2,712	10,702
Norway .....	.....	13,538
Paraguay	9,522	.....
Persia	13,053	43,638
Peru	4,763	1,767
Portugal	88,867	107,643
Portuguese Africa	6,285	80,866
Russia (U.S.S.R.)	37,171	255,661
Salvador	88,745	33,695
San Domingo	534,495	878,335
Spain	257,218	533,504
Sweden .....	.....	258,934
Switzerland	206,215	838,195
Syria	3,227	2,096
Turkey .....	.....	72,790
United States	101,815,759	97,404,273
Puerto Rico	9,440	3,292
Uruguay	14,841	6,979
Venezuela	959,739	1,594,520

Imports by Principal Commodities

	Month of January	
	1945	1946
	Thousands of Dollars	
Total imports	129,685	140,309
Agricultural and vegetable products	19,201	25,034
Fruits	4,798	6,703
Fruits, fresh	3,811	4,224
Fruits, dried	697	2,101
Fruits, canned	114	229
Fruit juices and fruit syrups	176	148
Nuts	729	1,558
Vegetables	1,474	2,518
Vegetables, fresh	1,428	2,397
Vegetables, dried	9	111
Vegetables, canned	20	1
Pickles, sauces and catsups	17	9
Grains and products	585	1,216
Rice	221	233
Oils, vegetable, edible	26	496
Sugar and products	1,985	3,303
Sugar	1,947	2,656
Cocoa and chocolate	90	61
Coffee and chicory	240	2,017

Imports by Principal Commodities—Conc.

	Month of January	
	1945	1946
Thousands of Dollars		
Agricultural and vegetable products— <i>Conc.</i>		
Spices	44	71
Tea	4,311	2,717
Vegetable products, other, mainly food	128	381
Beverages, alcoholic	697	1,142
Beverages, distilled	601	999
Wines	88	142
Gums and resins	453	368
Oil cake and oil cake meal	17	31
Oils, vegetable, not edible	974	825
Plants, shrubs, trees and vines	34	60
Rubber	1,761	765
Rubber, crude	1,041	72
Seeds	351	277
Tobacco	172	195
Vegetable products, other, not food	334	330
Animals and animal products	3,841	5,515
Animals, living	113	128
Bone, ivory and shell products	61	51
Feathers and quills	16	16
Fish and fishery products, n.o.p.	147	241
Fish, fresh and frozen	97	165
Fish, dried, salted, pickled, smoked.....	23	47
Furs	2,073	3,635
Undressed furs	1,660	2,993
Hair and bristles	32	83
Hides and skins, raw	510	99
Leather, unmanufactured	226	307
Leather, manufactured	267	336
Meats	139	79
Milk and products	43	63
Animal oils, fats, greases and wax.....	80	119
Animal products, other	136	359
Fibres, textiles and textile products	16,683	20,690
Cotton	7,454	9,425
Raw, and linters	3,330	4,358
Yarn	538	797
Fabrics	3,071	3,561
Flax, hemp and jute	2,585	2,270
Yarn	228	142
Fabrics, flax and hemp	69	197
Fabrics, jute	2,078	1,645
Silk	145	244
Fabrics	144	239
Wool	3,368	5,045
Wool, raw	943	767
Noils and tops	280	1,041
Yarn	738	806
Worsted and serges	670	1,384
Fabrics, other	558	697
Artificial silk	1,592	1,513
Yarn, twist and thread	833	733
Fabrics	737	720
Fibres and products, other	533	771
Mixed textile products	1,006	1,421
Wood, wood products and paper	3,595	4,837
Wood, unmanufactured	438	556
Planks and boards	288	355
Wood, manufactured	656	699
Wood pulp	103	111
Paper	984	1,359
Books and printed matter	1,517	2,224
Iron and its products.....	32,588	31,881
Iron ore	271	7
Ferro-alloys	83	53
Pigs, ingots, blooms, billets.....	156	28
Scrap iron	81	50
Castings and forgings.....	707	595
Rolling mill products.....	3,533	4,463
Pipes, tubes and fittings.....	466	681

	Month of January 1945 1946	
	Thousands of Dollars	
Wire	296	365
Chains	165	191
Engines and boilers.....	3,173	1,725
Farm implements and machinery.....	4,315	4,376
Hardware and cutlery.....	347	538
Machinery (except agricultural).....	6,133	9,454
Springs	21	70
Stamped and coated products.....	121	174
Tools	646	786
Vehicles, chiefly of iron.....	9,022	5,264
Automobiles, freight	1,117	219
Automobiles, passenger	142	432
Automobile parts	7,376	4,379
Iron products, other	3,053	3,063
Non-ferrous metals and their products.....	8,006	8,559
Aluminium	285	460
Brass	337	439
Copper	56	161
Lead	31	12
Nickel	67	196
Precious metals, except gold.....	107	231
Tin	805	1,701
Zinc	53	135
Alloys, n.o.p.	70	92
Clocks and watches	258	688
Electrical apparatus	3,976	3,276
Radio and wireless apparatus.....	1,410	778
Gas apparatus	24	46
Printing materials	87	151
Non-ferrous metals, other.....	1,851	972
Non-metallic minerals and their products.....	16,059	22,827
Asbestos	191	143
Clay and products	1,031	1,477
Coal and products.....	7,352	11,277
Coal	6,796	10,151
Coke	467	982
Glass and glassware.....	1,163	1,527
Graphite	34	40
Mica and products	27	15
Petroleum products	4,930	6,780
Stone and products.....	736	731
Non-metallic minerals, other	596	837
Chemicals and allied products.....	6,146	7,329
Acids	233	207
Alcohols, industrial	22	129
Cellulose products	390	413
Drugs and medicines	859	857
Dyeing and tanning materials	457	789
Explosives	103	85
Fertilizers	219	486
Paints and varnishes	651	854
Perfumery, cosmetics, toilet preparations	30	39
Soap	14	43
Inorganic chemicals, n.o.p.	775	957
Potash and compounds	55	41
Soda and compounds	314	389
Chemical products, other	2,394	2,471
Miscellaneous commodities	23,564	13,638
Amusement and sporting goods	187	291
Brushes	19	57
Containers, n.o.p.	139	178
Household and personal equipment, n.o.p.	613	1,074
Refrigerators and parts	23	348
Musical instruments	51	116
Scientific and educational equipment	778	899
Ships and vessels.....	14	2
Vehicles, except iron	2,444	554
Aircraft (excluding engines)	2,406	498
Paintings and other works of art	67	216
Miscellaneous commodities, other	19,253	10,251
War materials (Order in Council)	14,131	131

TRADE COMMISSIONERS ON TOUR OF CANADA

Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia), is now visiting, or about to visit, the principal industrial and business centres of Canada in the interest of Canadian trade with Chile and Bolivia.

His itinerary as presently arranged is as follows:—

Quebec City—Mar. 16.

Kingston and Brockville—Mar. 18.

Oshawa—Mar. 19.

Toronto and district—Mar. 20 to 30.

Windsor and district—Apr. 1.

London and St. Thomas—Apr. 2.

Hamilton and district—Apr. 3 to 5.

Kitchener and district—Apr. 8.

Guelph—Apr. 9.

Vancouver and Victoria—Apr. 15 to 20.

Firms wishing to confer with Mr. Mutter should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE REGULATIONS AND TARIFF CHANGES

Brazil

SUSPENSION OF DUTY ON WHEAT FLOUR

With reference to the suspension of duties and other customs taxes on imports of wheat flour into Brazil, reported in *Commercial Intelligence Journal* No. 2187 (December 29, 1945), page 657, Mr. M. Belanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, writes that suspension has been continued for an additional period of 180 days beginning March 1, 1946. Shipments arriving in Brazil

after the 180-day period but which were embarked in the port of origin within that period will be allowed free entry. The duties may be re-instated if there is sufficient wheat in Brazil for domestic consumption, but in this event shipments made prior to the date of re-instatement will be entitled to free entry. All firms to which licences have been granted to import wheat flour free of duty will be notified of any decision to re-impose customs duties.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

12. *Ecuador*—Compania Nacional Comercial S.A., P.O. Box 946, Guayaquil, Ecuador. This firm, which has been well reported on, are interested in acting as agents or representatives in Ecuador for Canadian manufacturers of automotive vehicles, rubber tires and tubes, chemical products, pharmaceutical products, enamelware, electrical supplies and appliances and textiles. File: C.E. 193.

13. *Peru*—Pablo Perona Z., Chota Derecha 1037, Lima, Peru. This gentleman, who has been well reported on, is interested in securing representation on a commission basis for the following Canadian products: cotton textiles, silk fabrics, lace, lace trimmings, silk ribbons, bazaar articles, celluloid, and rubber toys. File: C.E. 212.

EXCHANGE CONDITIONS IN BRAZIL

Mr. Maurice Bélanger, Commercial Secretary at Rio de Janeiro, writes under date February 26, 1946, that the cruzeiro has had a definite tendency to strengthen in past weeks and it is reported that the Minister of Finance is contemplating a change in the rate from Cr\$19.60 to Cr\$19.30 to the United States dollar and that there will be a substantial reduction in the 5 per cent exchange tax rate.

Some time ago the Government suspended for an indefinite period import licence requirements in the hope of facilitating imports and reducing excessive holdings of foreign exchange by the Bank of Brazil.

It is expected that for a considerable time to come there will be an abundant supply of foreign exchange to meet import requirements and that exchange will be granted freely to importers to meet payments abroad.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations Mar. 4	Nominal Quotations Mar. 11
Argentina	Peso	Off.	.3282	.3282
		Free	.2696	.2690
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso	....	.6282	.6282
Cuba	Peso	....	1.1025	1.1025
Czechoslovakia	Koruna	....	.0220	.0220
Denmark	Krone	....	.2296	.2296
Ecuador	Sucre	....	.0816	.0816
Egypt	Pound	....	4.5538	4.5538
Eire	Pound	....	4.4400	4.4400
Fiji	Pound	....	4.0090	4.0090
Finland	Markka	....	.0081	.0081
France and North Africa.....	Franc	....	.0092	.0092
French Empire—African.....	Franc	....	.0157	.0157
French Pacific possessions.....	Franc	....	.0222	.0222
Haiti	Gourde	....	.2205	.2205
Hongkong	Dollar	....	.2775	.2775
Iceland	Krona	....	.1702	.1702
India	Rupee	....	.3330	.3330
Iraq	Dinar	....	4.4400	4.4400
Jamaica	Pound	....	4.4400	4.4400
Mexico	Peso	....	.2268	.2268
Netherlands	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.5842	.5842
New Zealand	Pound	....	3.5698	3.5698
Norway	Krone	....	.2220	.2220
Palestine	Pound	....	4.4400	4.4400
Peru	Sol	....	.1709	.1709
Philippines	Peso	....	.5512	.5512
Portugal	Escudo	....	.0444	.0444
Spain	Peseta	....	.1009	.1009
Straits Settlements	Dollar	....	.5180	.5180
Sweden	Krona	....	.2627	.2627
Switzerland	Franc	....	.2563	.2563
Turkey	Piastre	....	.0085	.0085
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar	....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

ECONOMY AND TRADE OF VENEZUELA

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

I

Venezuela, lying north of Brazil, extends northward from the equator to about 13 degrees north latitude and stretches for 1,000 miles east and west along the northern coast of South America, covering an area of 352,170 square miles. The country may be divided into four physiographic areas: the Maracaibo basin, a V-shaped area surrounding Lake Maracaibo; the Venezuelan highlands, formed by the Sierra de Merida and its extension eastward along the Caribbean coast to the Paria peninsula; the Orinoco llanos, the wide, low-lying plain on both sides of the Orinoco River which flows into the Gulf of Paria; the Guiana highlands, which lie between the Orinoco llanos and Brazil.

The Andes mountains, which maintain an unbroken range from Cape Horn to and through Colombia, swing abruptly northeastward to end in Venezuela east of Lake Maracaibo in the Merida-Trujillo region. Had it not been for this quirk of nature the Maracaibo basin might never have been formed, and this has proved to be one of the richest petroleum fields in the world.

Climate

The climate of Venezuela is tropical, except in the highland regions, and is naturally very unhealthful. Malaria and other tropical diseases abound throughout the low-lying regions and practically all of the native population in these regions is affected to some degree. The oil companies have, however, taken effective steps to improve the health and living conditions of their employees and the Federal Government is endeavouring to combat malaria and other tropical diseases. It is apparent, however, that the general

health conditions of the workers have an adverse effect on the economy and progress of the country.

Population

The population of Venezuela is estimated at about 4,000,000. Its distribution among the four geographical areas is roughly as follows: Maracaibo basin, slightly more than 10 per cent; the Venezuelan highlands, roughly two-thirds; the Guiana highlands, which constitute about one-half of the total area of Venezuela, less than 5 per cent; the Orinoco llanos, about 20 per cent. The population is largely of mixed Spanish and native Indian blood, with a considerable infiltration of West Indian negroes, particularly in the cities along the Caribbean coast.

Government and Education

The Government of Venezuela is democratic in form. It should be recalled, however, that the Gomez dictatorship, which ruled Venezuela with an iron hand for many years, was ended by the death of President Gomez only a matter of ten years ago.

More than two-thirds of the population can neither read nor write, a condition which adds considerably to the normal problems of the Federal Government. The Government is committed to a vigorous and costly educational program. It has spent large sums on the erection of fine school buildings of the most modern type and taken steps to train a suitable class of teachers. It is reasonable to expect that the high illiteracy percentage will decrease substantially within the next decade.

Venezuela has a relatively small number of extremely wealthy families

who largely control and direct the affairs of the country. There are very few persons in what is known in northern countries as the middle-class income group. The majority of the people are very poor and live under extremely unfavourable circumstances. Only a small percentage of the population (probably not more than 15 per cent) are in a position to buy adequate food and clothing and to live according to reasonable standards. Farm labourers are paid from $2\frac{1}{2}$ to $3\frac{1}{2}$ bolivars (the bolivar is currently equivalent to about 33 Canadian cents) per day, which includes an allowance of rice and black beans. Unskilled casual labour receives from 5 bolivars daily. Workers in the petroleum industry receive from 10 bolivars daily, depending on ability, and also receive housing accommodation and other benefits which make them the best paid labour group in the country. The cost of living is extremely high and there is much unrest and many labour disputes.

Economy

The economic development of Venezuela has centred around the discovery and production of petroleum and the great wealth that has been derived from the petroleum industry has had an adverse effect on the general development of the country. In Venezuela there is witnessed the operation of a dual economy.

PETROLEUM INDUSTRY

The petroleum industry has produced enormous revenues for the Federal Government, as well as for the foreign companies concerned, and development and exploitation is proceeding vigorously in many parts of the country. Venezuela appears likely to be an oil field of first-rank importance for many decades to come.

At the end of 1944 the proven petroleum reserves exceeded seven billion barrels and a vigorous and extremely costly exploration program engaged in by all the foreign companies concerned is constantly adding to this impressive

total. For the first quarter of 1945, petroleum production amounted to about 70 million barrels and the expenditures of the petroleum companies to U.S.\$52,500,000, which is about double the amount spent in the like period of 1944. This means much more U.S. funds at the disposal of the Venezuelan Government. The total oil industry expenditures in 1944 amounted to Bs.410,000,000 (U.S.\$129,300,000), compared with Bs. 217,100,000 (U.S.\$70,250,000) in 1943.

The Venezuelan Government has recently introduced legislation compelling the oil companies to refine a large percentage of any new production within the country. This will result in several oil refineries being built in Venezuela in the near future, probably in eastern Venezuela. New refinery commitments should raise production capacity within the country by 1951 to 225,500 barrels daily, as against present capacity of 85,500 barrels per day. Most of the oil produced in the great fields around Lake Maracaibo is refined in Curaçao and Aruba (N.W.I.).

It is difficult to estimate the importance of the petroleum industry to Venezuela. It is largely due to the large sums of money spent by the foreign oil companies that Venezuela in 1938 ranked sixth among all the Latin American countries as an importing nation and second among these six in per capita importations, in spite of the fact that scarcely one-third of the population could be regarded as potential purchasers of imported manufactured products

AGRICULTURE

The agricultural industry of Venezuela on the other hand is making very little progress, and the future is not encouraging. Venezuela's principal merchandise exports (exclusive of petroleum) were no greater in 1936 than they were in 1913 in terms of physical volume and were much less in terms of value. Agriculture is handicapped by poor transportation facilities, lack of trucks and tires, in-

adequate storage facilities, and antiquated distribution methods that cause gluts, scarcities and losses to the producers.

The petroleum industry brings in a large amount of U.S. dollars annually and the Government has chosen to keep the value of the bolivar high at the old gold parity. This, in effect, makes it impossible for any agricultural enterprise, which might depend on export markets, to be conducted at a profit. For example, the bolivar in 1932 was worth 7.75 to the U.S. dollar and now is worth 3.35. This substantial rise in the value of the bolivar means that Venezuelan exporters have to take lower prices in terms of bolivars for their export commodities, a situation which has resulted in the Government paying a subsidy to the coffee and cocoa growers in the form of a pegged bolivar rate of 4.80 bolivars as against the official rate of 3.35.

The coffee crop in 1944-45 was exceptionally good, estimated at 960,000 bags, after two very poor years, and growers are hopeful of recouping previous losses.

Venezuela is not self-supporting in foodstuffs and during 1944 there was a nation-wide shortage of meat and dairy products. The Government imported rice and other staples, although unusually good crops were harvested within the country.

The Federal Government is making an effort to increase agricultural production and among the projected agrarian reforms is an allocation of 60,000,000 bolivars for cheap, long-term credits for the development of agriculture, cattle raising, dairying and related activities. Also, the Government is raising the status of tenant farmers to prevent evictions, improving storage as well as transportation facilities in the country districts, and is prepared to assure remunerative returns to farmers through fixed prices.

SECONDARY PRODUCTION

The Venezuelan Government from the former dictatorship period has favoured high tariffs on imports, even

on essential food products and necessities of daily life. During the war years, the scarcity of imported merchandise, combined with large surplus U.S. dollar funds and the extraordinarily high purchasing power of the Government, has driven the cost of living in Venezuela to high levels and has provided an excellent opportunity for secondary manufacturing industries to develop, which otherwise could not exist under normal competitive conditions.

The impact of war has not been particularly favourable to agricultural production, but it has stimulated secondary production very considerably. For example, the production of cotton textiles has increased greatly since 1940 and, although its quality is not comparable to that of imported goods, the domestic product commands a high price on the local market.

The range of local industries includes textiles, shoes, furniture, cement, tires, cigarettes and tobacco, paper, paints, beer, clothing, leather, soap, canned fish, pharmaceutical products, toilet preparations, vegetable oils and fats.

The cement industry in Venezuela until recently was confined to two plants with a daily capacity of not more than 400 tons, but will be expanded to six plants, located in various parts of the country, and the daily capacity early in 1946 will reach nearly 1,300 tons.

There are two rubber tire factories (one not yet completed) which will meet the country's tire requirements.

Fish canning, a relatively new industry centred chiefly in the island of Margarita and on the coast of eastern Venezuela, in 1944 produced 27,000,000 cans, an increase of 94 per cent over 1943. The quality of the pack is good and the prospects for the industry are bright.

A large American steel corporation is developing a high-grade iron ore deposit near El Pao. An asbestos mine is being brought to the point of production with an estimated annual output of 6,000 tons of raw fibre. A large body of low-grade nickel ore is being sampled and developed. Can-

dian companies are interested in both these projects.

FOREIGN INVESTMENT

Foreign investments in Venezuela are very large, due principally to the fact that the oil industry is wholly foreign-owned and operated. No special study has been made of the foreign investments in the country, but it is conservatively estimated that the combined investments of the oil companies exceed U.S.\$500,000,000. Miscellaneous foreign investments, including railways, power companies, land holdings, etc., might total an additional U.S.\$50,000,000.

The chief source of this capital investment is, of course, the United States, although British investments are relatively important. At one time, German investments were very considerable, but German-financed firms have since come under Venezuelan control and their German identity has largely disappeared.

GOVERNMENT EXPENDITURE

The position of the Government in the economy of Venezuela is unique in Latin America. The Government has exceptionally large revenues at its disposal. The increase in these revenues has exceeded the rise of expenditures and the Venezuelan Government has no external debt problem and very little internal debt. Government revenues increased from 306,616,000 bolivars in 1943 to the unprecedented

level of 532,000,000 bolivars in 1944. Expenditures rose from 334,085,000 bolivars in 1943 to 409,670,000 bolivars in 1944, leaving a surplus of 122,330,000 bolivars.

It is estimated that about 30 per cent of the total expenditures is devoted to public works' programs and the greatest of these are in the capital. For example, a splendid university city is in course of construction as well as a large apartment house development, while a broad avenue running through Caracas is projected for immediate construction. A five-year program for construction of public works, begun by the Government in 1941, continues as planned and the projects include schools, hospitals, sewers, aqueducts, bridges, airport and irrigation works.

The Government is very interested in increasing agricultural production and improving the living conditions on the farms and has set aside 60,000,000 bolivars to encourage agrarian reforms. From this fund, long-term loans will be provided to the farmers at low interest rates for the development of agriculture, cattle raising, stock improvement, etc.

Reference to the various activities of the Government could be continued at length, but it is sufficient to emphasize the magnitude of their operations, from which it is apparent that they are important consumers of a wide variety of imported materials.

Note.—The second and concluding installment of this report will appear in the next issue.

EAST COAST—SOUTH AMERICAN STEAMSHIP SERVICE

The Shipping Priorities Committee announce that, with the sailing of the *Tweedsmuir Park* ex Saint John, N.B., late March or early April, Messrs. McLean, Kennedy, Limited, will cease to be the operating managers of *Park* vessels on the direct service between Eastern Canadian ports and east coast South American ports.

Commencing late in April with the sailing of the *Fort Panmure*, the operation of ships on this service will come

under the management of Furness (Canada) Limited, who have purchased and chartered vessels from the Park Steamship Company, and it is their present intention to operate on a regular scheduled basis, with a sailing from Canada every four weeks.

With the opening of navigation in the St. Lawrence, the sailings will be from Montreal to Rio de Janeiro, Santos, Montevideo (provided there is sufficient cargo offering) and Buenos

Aires. Northbound the vessels will load at these South American ports and discharge at ports in the St. Lawrence during the summer season.

Messrs. Furness, Withy and Company, Limited, Furness House, St. Sacrament Street, Montreal, will act as general agents for the service in

Canada. In South America the representatives are Houlder Brothers and Company (Brazil) Limited at Rio de Janeiro and Santos, Brazil, and Houlder Brothers and Company (Argentina) Limited at Montevideo and Buenos Aires.

DIRECT STEAMSHIP SERVICE TO MEXICO

The Shipping Priorities Committee announce the inauguration, commencing early in April, of a direct steamship service between Eastern Canadian ports and the Mexican ports of Vera Cruz and Tampico.

This new direct service will be operated by the Canadian National Steam-

ships. Full particulars as to sailings and rates may be obtained from the Freight Traffic Department, Canadian National Steamships, 384 St. James street West, Montreal; telephone, Marquette 4731, Montreal.

SHIPPING POOL FOR RELIEF AND REHABILITATION

The fourth and final meeting of the Executive Board of the United Maritime Authority was held in February in London, England, to consider difficulties and problems which might arise in the shipping situation after the termination on March 2, 1946, of the "Agreement on Principles" of August, 1944. Canada was represented at the meeting of the Executive Board by Mr. A. L. W. MacCallum, Chairman, Canadian Shipping Board.

At this meeting the United Maritime Executive Board agreed that international shipping should be permitted to return to normal operations as soon as possible, and that there was no need to continue the comprehensive control of the United Maritime Authority. It was also agreed, however, that with the termination of the United Maritime

Authority on March 2, some direction of shipping would be necessary to ensure transportation by sea of the relief and rehabilitation cargoes so urgently needed by liberated areas in Europe and the Far East.

Accordingly the Board agreed on certain recommendations whereby the nations signatory to the United Maritime Authority "Agreement on Principles" would pool a proportion of their tonnage for the transportation of materials, including UNRRA materials, to liberated areas, the arrangement for this pooling to be effective for what is known as the "transitional" period, from March 3 to October 31, 1946.

These recommendations, the Minister of Trade and Commerce announced recently, have been approved.

QUEBEC BUSINESSMEN VISITING LATIN AMERICA

A group of nine French Canadian businessmen, members of the Federation des Chambres de Commerce de la Province de Quebec, headed by Paul E. Poirier, president, are paying a flying 56-day visit to various Latin

American countries, including Mexico, Panama, Colombia, Peru, Chile, Argentina, Uruguay, Brazil, Trinidad, and Venezuela. The party left Montreal by plane on March 15.

APPOINTMENT OF AGENTS

It has been brought to the attention of the Department that many Canadian firms with established agents abroad are being unduly influenced by personal visits from business representatives in the same country to make agency changes regardless of existing connections.

In many instances the visitor cannot provide any better service than the agent already appointed, and the sudden switch from one agent to another can only give rise to serious dissatisfaction on the part of the discarded firm. Moreover, the change frequently creates a lack of confidence on the part of business firms in the overseas countries in Canadian business methods in general.

It is therefore urged on Canadian firms with established agents to respect the confidence of these agents by refusing to consider a change to a new agent or to give any assurance of appointments until there has been time to investigate the merit of such

a change. If it is desirable, due to lack of orders or for other reasons, to make a change, it is suggested that the Foreign Trade Service at Ottawa or the appropriate Trade Commissioner be consulted as to the comparative suitability of the agent in question before coming to a final decision.

It has also come to the Department's attention that, as a result of the increased public interest in export trade, certain firms and service organizations are now offering to assist Canadian firms in selecting agents in foreign markets.

In considering such offers, Canadian firms should bear in mind that the Canadian Trade Commissioner Service has been organized for this very purpose. Canadian Trade Commissioners are stationed in most of the important markets of the world and, with a general knowledge of conditions built up through years of experience and training, are in a position to give reliable service and advice.

FOREIGN TRADE OF BRAZIL, JANUARY-APRIL 1945

From the Brazilian Government Trade Bureau

Brazil's foreign trade in April, 1945, was characterized by a marked decrease in the volume of imports compared with the two preceding months and by a slight increase over January. Imports rose from 177,000 metric tons in the first month of last year to 370,000 in February and 339,000 in March and decreased to 260,000 in April. There has been a slight change in the downward tendency of the export volume noted in recent months, our sales abroad amounting to 226,000 tons in April as against 209,000 and 219,000 in March and February respectively. A decrease of 42,000 metric tons is, however, registered in comparison with the first month of 1945.

The value per ton of imported merchandise has risen from \$119.60 in

March to \$138.30 in April. The value per ton of exported goods continues to be well below average, having decreased from \$228.60 in March to \$195.50 in April, 1945.

In spite of the lower value per ton, our balance of trade in April has been favourable to the extent of \$8,217,977.

In comparison with April, 1944, the volume of our imports in the same month of 1945 shows a reduction of 98,000 metric tons, while exports have decreased by 29,000 metric tons.

Our balance of trade for the first four months of 1945 has been unfavourable in regard to volume to the extent of 220,710 metric tons, while showing a credit balance of \$41,030,000 in value.

Total exports during the first four months of last year amounted to 928,-

020 metric tons valued at \$183,262,732, while 1,146,745 tons of merchandise valued at \$142,232,150 were imported.

In continuation of the trend in recent years the list of export commodities is becoming less diversified and the group of ten leading export items during the period under review corresponds to 68 p.c. of the total value, of which 44.5 p.c. for coffee and cotton textiles.

Coffee continues to occupy first place in our exports with 33.5 p.c. of the total value; this percentage has fluctuated markedly in the last few years. The share for cotton textiles is 11 p.c. of the total value of exports. This commodity has reacted to certain well-known market conditions prevailing in the first few months of 1945, and our exports of that commodity have increased from \$11,628,000 in January-April, 1944, to \$20,173,000 for the same period of 1945.

Raw cotton occupies third place in the value of our exports with 4.6 per cent of the total. Inversely to the trend in the export of cotton textiles, exports of raw cotton have decreased from \$18,837,000 in the first four months of 1944 to \$8,546,000 in 1945. This decrease has, however, been accompanied by an unusual increase in exports of cotton yarn and linters. The totals for the period under review for these two items have reached \$2,209,000 and \$2,093,000 respectively as against \$1,686,000 and \$348,830 in 1944.

Pine comes fourth among leading export commodities with 4 per cent of the total value. Although sales abroad show a marked increase in April, 1945, the total volume for the first four months shows a marked decrease in comparison with the same period of 1944. Prices have advanced to such levels, however, that an appreciable increase in value has been registered over January-April, 1944.

Rubber continues to occupy fifth place among our principal exports as in the past with 3.6 per cent of the grand total. A marked increase is noted in regard to the "crepe" and "fine" grades.

Next in order of value come cacao, castor oil, carnauba wax and tobacco, with each of these items below 3 per cent of the grand total.

Exports of commodities not included among ten principal items are below 1.7 per cent in each case.

Brazil's best customers during the period under review continue to be the United States and Argentina, with 55 per cent and 14 per cent respectively of the total value of exports. Although sales to Great Britain show a pronounced decrease in comparison with the first four months of 1944, that country occupies third place among our export markets with 9 per cent of the total.

Brazilian exports to other countries are below 3.5 per cent of the total value in each case.

Principal Exports to All Countries, January- April, 1945

	Volume (Metric Tons, unless other- wise indicated)	Value Can.\$	Per Cent of Total Value
Coffee (60 kg. sacks)	3,806,749	61,370,350	33.5
Cotton textiles	6,158	20,173,000	11.0
Raw cotton	25,025	8,546,000	4.6
Pine	86,607	7,139,300	4.0
Rubber	6,180	6,509,650	3.6
Cacao	30,329	5,364,880	2.9
Castor oil	65,725	4,721,800	2.6
Carnauba wax	3,020	4,703,080	2.6
Diamonds (grams)	10,374	3,192,790	1.7
Tobacco	8,803	3,102,850	1.7
Grand total, including all other products	928,020	\$183,262,730	100.0

The balance of trade has been favourable to Brazil in her exchanges with the majority of countries. The balance of our trade with the United States has been favourable to the extent of \$24,767,500, while our trade with Argentina continues to show an unfavourable balance with a debit of \$13,546,500 for the period under review. Trade with Great Britain shows a favourable balance of \$9,360,500, while trade with Canada, the Netherlands West Indies and Portugal registers debit balances. Trade with other countries, except small African countries which scarcely play a part in our foreign trade statistics, shows credit balances in every case.

As already pointed out, our ten leading export commodities correspond to 68 per cent of the value of total exports, with 79 per cent going to three principal countries.

As to imports, the list of items is more diversified. Wheat comes first among our import items with 18 per cent of the total value of imports during the period under review. It now takes precedence over "machinery and apparatus" which occupied first place in the past. Wheat imports have been advancing steadily for some time now and have increased by 51,000 metric tons over January-April, 1944. Wheat flour ranks third with 4 per cent of the total value of imports. The aggregate imports of wheat and wheat flour during the first four months of 1945 are valued at \$31,466,280 or 22.1 per cent of total imports.

The item "machinery and apparatus" comes second with 16 per cent and continues at a low level compared with

imports before the outbreak of the European war.

Imports of anthracite and fuel oil continue on a very low level. However, these two items occupy fourth and ninth place in the list of the ten leading import commodities. Rolling mill products, lubricating oils and copper come fifth, seventh and eighth respectively. It is worthy of note that beverages and the item "European fruits", including apples, pears and grapes, are classified among the ten leading imports; the latter are of Argentine origin.

These figures show that the ten leading import commodities in the first four months of last year include four used directly for food and drink with 24.5 per cent of the total value of imports during that period.

The aggregate value of the ten leading items represents about 50 per cent of total imports, the remainder being distributed among a great number of products of lesser importance, each of which represents less than 1.5 per cent of the total.

The three countries in which most of our imports have originated are the same that hold the three first places among our customers. They are the United States (54 per cent), Argentina (28 per cent), and Great Britain (5 per cent). Our purchases from these countries represent 87 per cent of our total imports.

The other countries from which we imported goods valued at more than 1 per cent of total imports are Portugal, Chile, Venezuela and the Union of South Africa.

Principal Imports from All Countries, January-April, 1945

	Volume (Metric Tons)	Value Can.\$	Per Cent of Total Value
Wheat	423,114	25,788,370	18.1
Machinery apparatus, tools and utensils	20,322	23,361,160	16.4
Wheat flour	60,309	5,677,910	4.0
Anthracite	159,552	3,601,180	2.3
Rolling mill products	17,604	2,885,465	2.0
Beverages	4,253	2,866,220	1.9
Lubricating oils, refined	23,387	2,358,020	1.6
Copper	6,321	2,321,280	1.6
Fuel oil	105,821	2,088,545	1.4
Apples, pears and grapes	8,637	2,021,975	1.4
Grand total, including all other products	1,146,745	\$139,535,000	100.0

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Attaché at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia).

Their itineraries as presently arranged are as follows:—

Mr. Allen

Toronto—Mar. 25 to Apr. 2.

Mr. Mutter

Toronto and district—Mar. 25 to 30.
Windsor and district—Apr. 1.
London and St. Thomas—Apr. 2.
Hamilton and district—Apr. 3 to 5.
Kitchener and district—Apr. 8.
Guelph—Apr. 9.
Vancouver and Victoria—Apr. 15 to 20.
Edmonton—Apr. 22.
Hamilton—Apr. 25.
Ottawa—May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1945 (Nos. 2162 to 2187 inclusive), after considerable delay in printing, has now been mailed to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

WAR'S DAMAGE TO INTERNATIONAL TRADE

The target that has been set for British exports is a level 50 per cent—by volume, not by value—above that for 1938, and though the calculation may not be very precise, the order of magnitude will suffice. But nobody should imagine that this will be an easy task. Britain was, before the war, the second largest exporter in the world, and though a small trading nation might greatly increase its exports within a stable volume of world trade, a large increase in British sales requires either a proportionate increase in the world total or the disappearance of other competitors. German and Japanese trade may indeed disappear, for a shorter or longer period; but in so doing it is certain to lower the quantum of international trade as a whole. Germany and Japan, it is often forgotten, were importers as well as exporters before the war, and the damage that the ruin of Germany will do to trade not only within Europe, but also between Europe and the primary producing continents, is hardly yet to be estimated, but will certainly be large.

—From *The Economist*.

CANADA'S EXPORT TRADE IN FEBRUARY

The February merchandise export trade of Canada continued to reflect the sharp curtailment in the movement abroad of war materials, and a marked expansion in the export of goods of a civilian nature, according to figures released by the Dominion Bureau of Statistics. The total value of merchandise exported in February, 1946, was \$153,143,000 as compared with \$236,364,000 in February, 1945, a decline of 35 per cent. War materials were exported to the value of \$134,000, being heavily reduced from the February, 1945, total of \$120,850,000. Exports of non-war goods, on the other hand, were valued at \$153,009,000 as compared with \$115,514,000 a year ago, an increase of 32.5 per cent.

Canadian wheat and wheat flour continued to enter export channels in heavy volume. February exports of wheat were valued at \$15,390,000 as compared with \$4,809,000, and of wheat flour at \$8,801,000 as compared with \$4,252,000. The total value of agricultural and vegetable products exported in February was \$36,692,000 as compared with \$32,328,000. In the animal products group, which rose from \$24,061,000 to \$29,522,000, meats advanced from \$11,351,000 to \$14,142,000, fish and fishery products from \$4,405,000 to \$5,218,000, and furs from \$2,664,000 to \$3,866,000.

February exports of wood and paper products were valued at \$39,678,000 as compared with \$33,052,000 in February, 1945. Exports of planks and boards amounted to \$6,601,000 as compared with \$6,621,000, pulpwood to \$1,879,000 as compared with \$1,422,000, wood pulp to \$8,971,000 as compared with \$7,617,000, and newsprint paper to \$17,259,000 as compared with \$11,852,000.

There was a further marked decline in the iron and its products group of exports from \$54,321,000 in February last year to \$19,637,000. This was due, in the main, to the decrease in automobiles and parts, which fell from

\$34,211,000 to \$10,362,000. Among the non-ferrous metals, aluminum fell from \$16,143,000 to \$774,000, copper from \$3,430,000 to \$2,307,000, nickel from \$5,877,000 to \$2,346,000, while lead advanced from \$130,000 to \$893,000, and zinc from \$973,000 to \$2,358,000. Asbestos exports fell from \$1,666,000 to \$1,268,000.

The United States was the leading destination for Canada's merchandise exports in February with a total of \$57,563,000 as compared with \$91,518,000 in the corresponding month of last year. The United Kingdom was in second position with \$37,845,000 as compared with \$67,451,000, followed by British India with \$7,325,000 as compared with \$22,080,000.

Canada is playing an important part in the relief and rehabilitation of countries of Continental Europe. Exports to Belgium advanced from \$23,000 in February last year to \$7,169,000, France from \$4,014,000 to \$6,203,000, Norway from nil to \$1,287,740, Netherlands from \$382 to \$3,236,395, and Germany from nil to \$1,474,739. February exports to China also recorded a marked advance, rising from \$4,126 to \$893,977.

Canadian exports to Latin American countries were heavier in February. Shipments to Brazil were valued at \$1,653,830 as compared with \$358,749, Venezuela, \$1,587,030 as compared with \$68,034, Mexico \$968,289 as against \$559,718, Colombia \$881,087 as compared with \$165,059, Argentina \$657,975 as compared with \$462,216, and Chile \$259,302 as compared with \$84,070.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of February and the two months ended February, 1945 and 1946:—

Exports by Principal Countries

	Month of February		Two Months ended February	
	1945	1946	1945	1946
British Empire	\$ 104,236,204	\$ 54,873,594	\$ 221,176,240	\$ 130,590,305
United Kingdom	67,450,987	37,845,258	150,681,227	88,992,967
Ireland (Eire)	766,219	705,385	1,364,475	1,542,051
Aden	11,295	12,951	28,910	33,642
British East Africa	398,789	154,250	914,990	179,282
British South Africa	2,156,298	1,319,409	4,521,779	5,069,307
Southern Rhodesia	195,428	332,218	337,972	472,279
British West Africa	121,786	194,504	194,424	306,065
Bermuda	342,038	132,401	519,432	406,655
British India	22,080,380	7,324,744	40,102,563	15,749,192
Burma .....	.....	102,545	.....	102,545
Ceylon	720,755	96,555	1,396,491	383,828
Straits Settlements .....	.....	186,279	.....	395,401
British Guiana	440,514	464,208	791,051	909,784
British Honduras	64,369	65,084	114,664	155,361
Barbados	301,209	379,081	329,141	658,088
Jamaica	714,565	633,145	2,305,166	1,223,624
Trinidad and Tobago	839,581	1,152,654	2,196,350	2,082,907
Other British West Indies....	437,729	421,233	702,479	824,667
Gibraltar	1,443	47,670	3,337	47,670
Hong Kong .....	.....	28,386	.....	50,619
Malta	169,109	66,337	612,780	594,228
Newfoundland	1,532,034	1,366,584	5,318,878	4,134,285
Australia	3,520,947	932,766	5,310,884	3,924,278
Fiji	255	115	9,464	95,143
New Zealand	1,752,947	197,790	3,135,277	1,493,227
Palestine	191,102	648,370	207,455	698,408
Foreign countries	132,128,184	98,269,600	245,685,922	211,642,900
Albania .....	.....	175	.....	4,565
Argentina	462,216	657,975	571,339	1,355,744
Austria .....	.....	433,299	.....	433,299
Belgium	22,594	7,169,497	23,831	12,228,279
Belgian Congo	30,185	114,830	59,667	229,633
Bolivia	2,677	25,845	29,837	82,443
Brazil	358,749	1,653,830	1,065,414	4,275,176
Chile	84,070	259,302	205,009	603,847
China	4,126	893,977	5,117	3,303,890
Colombia	165,059	881,087	266,278	1,483,181
Costa Rica	29,248	58,227	38,485	169,943
Cuba	270,616	327,061	732,998	1,104,457
Czechoslovakia	174,483	219,523	174,483	2,311,561
Ecuador	9,389	34,385	23,190	74,061
Egypt	5,015,581	1,284,383	7,329,440	2,248,091
Finland .....	.....	48,030	.....	89,688
France	4,014,407	6,203,392	6,314,843	10,494,274
French Africa	1,148,498	3,128,363	2,199,964	3,826,768
French East Indies .....	.....	2,817	.....	2,817
French Guiana	473	3,750	2,105	4,020
French Oceania	3,777	25,191	12,969	28,846
French West Indies	3,398	22,949	3,875	33,392
St. Pierre and Miquelon	8,216	30,870	88,223	110,385
Germany .....	.....	1,474,739	.....	1,536,972
Greece	295,866	8,230	746,624	326,636
Guatemala	19,195	73,866	55,245	117,721
Haiti (Republic of)	50,628	15,744	62,431	69,475
Honduras	5,293	10,087	5,360	63,903
Iceland	106,582	247,017	355,624	576,196
Iraq	111,807	18,071	342,690	260,381
Italy	19,234,104	984,129	31,944,848	2,719,350
Liberia	10,112	4,915	10,291	9,002
Mexico	559,718	968,289	1,181,141	1,459,572
Morocco	21,964	597,341	84,845	680,264
Netherlands	382	3,236,395	581	9,901,778
Netherlands East Indies .....	.....	746,382	.....	1,565,282
Netherlands Guiana	4,565	10,613	14,650	26,234
Netherlands West Indies	49,447	107,189	98,270	157,621
Nicaragua	38,661	11,789	57,959	32,582
Norway .....	.....	1,287,740	.....	2,692,344
Panama	69,552	151,443	100,164	247,477
Paraguay	15	2,004	707	10,851
Persia	7,185	66,181	133,137	108,517
Peru	173,784	287,700	321,516	469,483
Poland	514,469	538,519	514,469	3,372,616
Portugal	68,670	123,316	113,380	634,647
Portuguese Africa	418,876	130,317	466,127	175,603

Exports by Principal Countries—Conc.

Foreign Countries— <i>Conc.</i>	Month of February		Two Months ended February	
	1945	1946	1945	1946
Russia (U.S.S.R.)	4,601,851	2,020,660	8,982,041	10,854,418
Salvador	6,891	18,659	18,781	36,670
San Domingo	27,941	54,672	79,360	160,211
Spain	399,821	55	399,821	26,002
Sweden .....	.....	588,254	.....	964,244
Switzerland	1,228,074	109,772	2,146,788	543,547
Syria	6,058	35,627	9,237	50,170
Turkey	88,613	74,305	119,498	83,266
United States	91,518,232	57,562,732	176,220,812	119,885,657
Alaska	9,518	13,906	14,867	22,205
Hawaii	320,707	440,518	723,689	586,485
Philippine Islands .....	.....	670,687	.....	1,173,567
Puerto Rico	201,111	312,194	297,902	565,645
Uruguay	37,555	112,249	144,337	329,662
Venezuela	68,034	1,587,030	222,007	3,018,154
Yugoslavia	28,080	59,893	37,908	1,588,918

Exports by Principal Commodities

	Month of February		Two months ended February	
	1945	1946	1945	1946
	Thousands of Dollars			
Total domestic exports*	236,364	153,143	466,862	342,233
Agricultural and vegetable products	32,328	36,692	58,728	84,847
Fruits	1,044	208	1,972	1,097
Fruits, fresh	743	39	1,435	757
Apples, fresh	689	23	1,335	696
Fruits, dried	104	....	149	23
Apples, dried	104	....	149	1
Fruits, canned	46	52	96	127
Fruit juices and fruit syrups	152	....	293	74
Vegetables	2,965	847	4,491	2,836
Vegetables, fresh	1,651	362	2,509	858
Potatoes (except seed)	1,155	88	1,737	190
Vegetables, dried	1,169	71	1,750	826
Vegetables, canned	106	401	177	1,055
Grains	12,598	16,594	22,069	41,980
Barley	298	47	849	60
Wheat	4,809	15,390	14,115	39,046
Milled products	7,752	9,339	14,019	18,631
Flour of wheat	4,252	8,801	7,287	17,644
Prepared foods and bakery products	159	69	269	238
Farinaceous products, other	281	429	574	904
Vegetable fats, edible	52	50	172	193
Sugar and products	557	61	873	211
Sugar (refined)	31	....	84	....
Vegetable products, other, mainly food	161	170	375	449
Beverages, alcoholic	2,370	2,728	4,567	5,608
Ale, beer and porter	369	345	837	532
Beverages, distilled	1,992	2,382	3,712	5,066
Whisky	1,914	2,216	3,557	4,780
Oils, vegetable, not edible	12	716	69	963
Linseed and flaxseed oil	4	632	54	857
Rubber	1,684	1,326	4,078	2,888
Pneumatic tire casings	498	535	1,344	953
Inner tubes	47	83	123	133
Seeds	1,420	2,277	2,980	4,370
Seed potatoes	456	382	1,322	1,448
Tobacco	462	573	735	1,668
Tobacco, unmanufactured	348	520	543	1,567
Vegetable products, other, not food	780	1,271	1,436	2,739
Hay	7	341	18	853
Animals and animal products	24,061	29,522	54,574	64,637
Animals, living	755	1,058	1,384	1,881
Cattle (except for stock)	276	609	534	1,088
Fish and fishery products, n.o.p.	4,405	5,218	8,766	11,947
Fish, fresh and frozen	2,265	2,643	4,740	6,303
Fish, dried, salted, pickled, smoked	795	869	1,418	1,874
Fish, canned or preserved	1,341	1,686	2,574	3,720
Furs	2,664	3,866	6,564	9,864
Undressed furs	2,557	3,690	6,397	9,538

	Month of February		Two months ended February	
	1945	1946	1945	1946
	Thousands of		Dollars	
Animals and Animal Products— <i>Con.</i>				
Leather, unmanufactured	252	396	525	877
Leather, manufactured	139	468	348	1,091
Meats	11,351	14,132	27,225	28,434
Bacon, hams, shoulders, sides	6,386	7,379	16,840	11,954
Milk and products	1,533	1,705	3,720	4,298
Butter	159	108	243	235
Cheese	799	1,152	1,906	3,071
Animal oils, fats, greases and wax	580	114	1,115	470
Animal products, other	2,259	2,222	4,676	5,159
Eggs in the shell	985	1,150	1,219	2,016
Eggs, processed	954	850	2,989	2,741
Fibres, textiles and textile products	4,654	3,583	9,687	8,661
Cotton	1,308	793	2,072	1,952
Cotton fabrics	426	365	764	863
Flax, hemp and jute	41	219	97	363
Fibre and tow	38	182	77	298
Wool	1,137	1,732	2,733	4,251
Wool, raw	368	246	640	497
Artificial silk	851	175	1,743	728
Fabrics, artificial silk	184	58	323	269
Fibres and textiles, other	1,316	663	3,043	1,367
Wood, wood products and paper	33,052	39,678	64,904	81,939
Wood, unmanufactured	11,014	11,308	22,096	23,657
Logs	113	163	313	392
Planks and boards	6,621	6,601	13,024	14,204
Timber, square	84	32	150	66
Shingles	705	786	1,256	1,317
Pulpwood	1,422	1,879	2,949	3,841
Wood, manufactured	8,004	9,482	15,202	18,296
Wood-pulp	7,617	8,971	14,539	17,220
Paper	13,738	18,473	26,932	39,094
Newsprint paper	11,852	17,259	23,168	35,987
Books and printed matter	296	416	673	892
Iron and its products	54,321	19,637	110,042	37,564
Iron ore	128	513	388	1,232
Pigs, ingots, blooms, billets	1,165	126	2,135	221
Castings and forgings	648	572	1,240	1,644
Rolling-mill products	202	67	433	253
Pipes, tubes and fittings	227	104	491	174
Engines and boilers	1,506	4,969	2,019	7,269
Farm implements and machinery	1,525	1,320	2,439	3,658
Hardware and cutlery	300	193	539	505
Machinery (except agricultural)	1,949	715	4,094	1,565
Tools	126	50	243	171
Vehicles, chiefly of iron	34,211	10,362	71,564	193,72
Automobiles, freight	20,425	4,420	42,165	9,813
Automobile, passenger	3	....	6	12
Automobile parts	10,375	1,715	21,588	3,146
Iron products, other	11,155	238	22,251	554
Non-ferrous metals and their products	33,970	11,129	65,268	27,679
Aluminium	16,143	774	30,558	2,460
Bars, blocks, ingots, blooms	15,515	336	28,949	1,270
Brass	402	184	551	449
Bars, ingots, rods, strips, sheets, plates	255	13	269	107
Copper	3,430	2,307	7,006	5,982
Ingots, bars, cakes, slabs, billets	2,773	1,832	5,700	5,031
Rods, strips, sheets, plates, tubing	198	54	384	168
Lead	130	893	458	1,873
Nickel	5,877	2,346	10,788	5,342
Precious metals, except gold	1,263	1,365	2,260	2,081
Zinc	973	2,358	2,055	4,817
Electrical apparatus	5,075	466	10,499	3,573
Radio and wireless apparatus	3,167	100	6,473	2,707
Non-ferrous metals, other	660	332	1,058	898
Non-metallic minerals and their products	3,658	2,990	8,161	6,652
Asbestos	1,666	1,268	3,111	2,941
Asbestos milled fibres	1,115	834	2,102	2,014
Clay and products	17	44	52	76
Coal and products	529	501	1,248	883
Petroleum products	92	189	1,259	498
Gasoline .....	....	4	937	49

Exports by Principal Commodities—Con.

	Month of February		Two months ended February	
	1945	1946	1945	1946
Non-metallic Minerals— <i>Con.</i>	Thousands of		Dollars	
Stone and products	1,196	723	2,130	1,717
Abrasives, artificial, crude	1,097	614	1,939	1,458
Non-metallic minerals, other	105	79	209	266
Chemicals and allied products	10,678	5,286	18,688	10,816
Acids	188	148	331	348
Alcohols, industrial	257	2	383	11
Toilet preparations	77	71	143	138
Medicinal and proprietary preparations.....	284	455	696	652
Explosives	4,288	14	5,706	29
Fertilizers	2,823	3,006	5,326	5,852
Paints and varnishes	328	198	562	508
Soap	76	91	223	368
Inorganic chemicals, n.o.p.	909	678	1,962	1,532
Calcium compounds, n.o.p.	300	380	500	749
Soda and sodium compounds	428	228	956	667
Chemical products, other	1,441	601	3,345	1,338
Miscellaneous commodities	39,642	4,626	76,810	19,438
Amusement and sporting goods, n.o.p.....	54	58	124	97
Brushes	52	45	71	131
Containers, n.o.p.	48	125	103	316
Household and personal equipment, n.o.p....	188	300	438	606
Pens, pencils and parts	51	97	136	168
Scientific and educational equipment.....	883	302	2,048	486
Films	251	194	520	261
Ships and vessels	557	1,267	1,193	2,140
Vehicles, n.o.p., chiefly aircraft	12,993	357	25,256	2,012
Miscellaneous commodities, other	24,857	2,145	47,560	13,596
Cartridges	21,237	17	40,412	34
Electrical energy	466	612	999	1,237

* February totals include exports of items mainly for war purposes such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores valued at \$134,000, in February, 1946, and \$120,850,000 in February, 1945. The percentage of war materials in other items cannot be ascertained.

TRADE REGULATIONS AND TARIFF CHANGES**Anglo-Egyptian Sudan****REQUIREMENTS FOR IMPORT LICENCES**

An import licence order of the Anglo-Egyptian Sudan, effective December 1, 1945, established the following three classes of imports: (1) those which may be imported from any source without licence; (2) those not requiring licences if imported from sterling-area countries in the Middle East group; (3) those not requiring licences if imported from sterling-area countries outside the Middle East group. The order made no change in import restrictions imposed by the Prohibited and Restricted Goods Ordinance 1939 and other enactments under which import permits other than those issued by the War Supply Department may be necessary.

Articles in the first class include:

Goods imported by the Sudan or Egyptian Governments or by the military authorities:

All articles of travellers' baggage exempted from import duty by the customs regula-

tions, whether or not accompanied by the traveller, and all foodstuffs intended for personal or household consumption and accompanied by the traveller;

Goods reimported;

Trade samples exempted from import duty under the customs regulations;

Exposed cinematograph films for exhibition on premises licensed for public entertainment or for educational purposes;

Advertising handbills and posters.

British West Indies**IMPORT LICENCES REQUIRED FOR CLEARANCE OF TEXTILES AT DESTINATION**

With reference to the notice published in *Commercial Intelligence Journal* No. 2195 (February 23, 1946) with respect to the requirement of valid import licences for clearance of shipments of textiles at ports of destination, it was erroneously stated that this requirement applied to goods destined for both the British West Indies and Newfoundland. The requirement does not apply to shipments destined for Newfoundland.

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Order in Council P.C. 750 of March 7, 1946, effective March 6, 1946, Regulation 5(a) of the Export Permit Regulations, is amended by the substitution therefor of the following paragraph, so that products not specifically listed in the schedule of commodities under export permit control are exempted from the requirement of an export permit when consigned to any area designated hereunder:—

5(a). No person shall export any goods to any country, other than to parts of the British Empire and its protectorates; destinations within the Western Hemisphere and possessions and protectorates of the United States; Belgium, France, the Netherlands, and their colonies and protectorates; Czechoslovakia, Denmark, Greece, Luxembourg, Norway, Poland, Turkey, Union of Socialist Soviet Republics, Vatican City, Yugoslavia, China, Egypt, Iran, Iraq, without first having obtained an export permit issued by or on behalf of the Minister of Trade and Commerce.

New Zealand

IMPORT LICENSING REGULATIONS AMENDED

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, advises that, under an amendment to the New Zealand Import Licensing Schedule, published November 28, 1945, it has been decided to grant licences for im-

ports of parts for the manufacture or servicing of radio receiving sets during the 1946 licensing period on the following bases: From the United Kingdom, 150 per cent of the value of 1945 licences for imports of similar goods from that source; from Australia, 150 per cent of the value of 1945 licences for imports of similar goods from that source; from Canada, 100 per cent of the value of 1945 licences for imports of similar goods from that source; from United States, 100 per cent of the value of 1945 licences for imports from that source.

Licences granted for imports of such goods from Canada or the United States may be utilized for the importation of similar goods from the United Kingdom or from Australia.

United States

FULL DUTY COLLECTED ON SEED POTATOES

The United States Bureau of Customs has announced that, on account of the quota of one and a half million bushels of white or Irish certified seed potatoes admissible in the twelve-month period, beginning September 15, 1945, at a reduced rate of 37½ cents per 100 pounds, as provided by the Canada-United States trade agreement of November 17, 1938, being almost filled, importers will be required as from March 19, 1946, to deposit estimated duties at the full tariff rate of 75 cents per 100 pounds on all imports for consumption of certified seed potatoes, pending determination of the quota status of the importations.

POSTAL SERVICES AND RATES

Mail Service Resumed to the Netherlands East Indies

The mail service for private and business correspondence between Canada and the Netherlands East Indies has been extended to include surface mail. Letters, weighing up to the normal weight limit of 4 pounds 6 ounces, and postcards may now be accepted for surface conveyance thereto. Business letters will be restricted to those ascertaining facts and exchanging informa-

tion. No actual trading is permitted. No registration, money order or parcel post service is yet available. The postage rates in effect before the service was suspended apply: letters, 5 cents for the first ounce and 3 cents for each additional ounce; postcards, 3 cents each.

As announced previously, air mail service is available, the rate of postage being 70 cents for each half-ounce or fraction thereof, the limit of weight being 4 pounds 6 ounces.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

14. *Greece*—Anthony G. Antoniadis, Akti Possidonos 30, Piraeus. This firm, well recommended by a leading bank in Athens, was established in 1934 as general importers in Athens and Piraeus and is interested in importing as an agent or on its own account ships stores and supplies, i.e. rope, cable, paints, varnishes, chain, oakum, tar, oils, packing, sails, and marine engines for small craft. File 24106-T.C. 119.

15. *Greece*—AWO Industrial Agencies Inc., 56 Third September Street, Athens. This

firm claims to be one of the most important importers and wholesale distributors in Greece of professional, household and general industrial supplies. They wish to act as distributors for Canadian manufacturers and exporters of medical, dental, surgical, laboratory and hospital supplies and appliances; ophthalmic and optical goods; chemicals; pharmaceuticals, and essential oils. They wish to act as exclusive agents for manufacturers and exporters of builders' supplies and equipment, refrigerators, kitchen and bathroom equipment, radios and accessories, bicycles, and sanitary products. References, the National Bank of Greece, Bank of Athens, and British-Hellenic Chamber of Commerce. File 24106-T.C. 119.

16. *Mexico*—Mr. Leland Villafranca, Insurgentes 279, Mexico D.F., has expressed interest in securing representation in the Mexican market for the following:—

Automobile Parts: pistons for all makes of cars and trucks, piston rings, timing chains, spark plugs, transmission gears, clutch parts, axle shafts, automotive tools, timing gears, hydraulic jacks, and tire pressure gauges.

Electrical household appliances: electric refrigerators, and washing-machines. File: C.E. 187.

EXCHANGE CONDITIONS IN BRAZIL

Mr. Maurice Bélanger, Commercial Secretary at Rio de Janeiro, reports the text of a decree-law published on February 28 in the *Diario Oficial*, coming into effect on that day. The new regulations contain important changes tending to facilitate trade and to reduce taxes payable on purchases of foreign exchange by importers and to increase the rate in cruzeiros paid to Brazilian exporters for foreign exchange resulting from export sales.

The new measure will favour both importers and exporters. In the case of importers, the tax of 5 per cent payable on purchases of foreign exchange is cancelled and replaced by a levy of 3 per cent incorporated in the new rate. This means a net buying rate of Cr\$20.10 to the American dollar instead of the former net rate of Cr\$20.50 (Cr\$19.60 plus 5 per cent tax). In the case of Brazilian exporters, the net proceeds obtained for United States dollars will now be

Cr\$18.74 instead of Cr\$18.46 per dollar, with the provision that this rate can be further increased at the discretion of the Superintendencia da Moeda e do Credito (Currency and Credit Control Board) to the total of the selling rate less brokerage.

Another advantage of the new regulations is that all banks authorized to deal in exchange may now carry out operations freely between themselves to adjust their positions without payment of the stamp tax of 4 per thousand and without recourse to official brokers, whose fee amounted to 1 per thousand. This means a net saving of 0.5 per cent on all such transactions between banks.

Another part of the decree-law deals with the transfer of earnings on foreign capital and the export of foreign capital invested in Brazilian enterprises. The obvious intention is to relax the present controls on such transfers but, due to the fact that business enterprises in

Brazil are as a rule considerably under-capitalized and operate with a declared capital much less than the total investment and the working capital, the law as it now stands would in many cases mean a reduction rather than an increase in the amounts allowed to be transferred to cover dividends or interest. Further measures will be required to allow increases in the declared capital of enterprises owned by foreign interests to bring it closer into line with the importance of the foreign investment involved.

The blanket authorization given in the above-mentioned decree to transfer abroad earnings from foreign capital invested in Brazil provides that such earnings may be transferred freely up to 8 per cent per annum of the registered capital of the Brazilian enterprise.

The authorization to repatriate foreign capital allows this repatriation at the rate of 20 per cent per annum on condition that such capital has been invested in Brazil for at least two years.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Mar. 11	Nominal Quotations Mar. 18
Argentina ..	Peso	Off. .3282	.3282
		Free .2690	.2685
Australia ..	Pound	3.5520	3.5520
Belgium and Belgian Empire ..	Franc	.0251	.0251
Bolivia ..	Boliviano	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	.9250	.9250
Brazil ..	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile ..	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia ..	Peso	.6282	.6282
Cuba ..	Peso	1.1025	1.1025
Czechoslovakia ..	Koruna	.0220	.0220
Denmark ..	Krone	.2296	.2296
Ecuador ..	Sucre	.0816	.0816
Egypt ..	Pound	4.5538	4.5538
Eire ..	Pound	4.4400	4.4400
Fiji ..	Pound	4.0090	4.0090
Finland ..	Markka	.0081	.0081
France and North Africa ..	Franc	.0092	.0092
French Empire—African ..	Franc	.0157	.0157
French Pacific possessions ..	Franc	.0222	.0222
Haiti ..	Gourde	.2205	.2205
Hongkong ..	Dollar	.2775	.2775
Iceland ..	Krona	.1702	.1702
India ..	Rupee	.3330	.3330
Iraq ..	Dinar	4.4400	4.4400
Jamaica ..	Pound	4.4400	4.4400
Mexico ..	Peso	.2268	.2268
Netherlands ..	Florin	.4153	.4153
Netherlands West Indies ..	Florin	.5842	.5842
New Zealand ..	Pound	3.5698	3.5698
Norway ..	Krone	.2220	.2220
Palestine ..	Pound	4.4400	4.4400
Peru ..	Sol	.1709	.1709
Philippines ..	Peso	.5512	.5512
Portugal ..	Escudo	.0444	.0444
Spain ..	Peseta	.1009	.1009
Straits Settlements ..	Dollar	.5180	.5180
Sweden ..	Krona	.2627	.2627
Switzerland ..	Franc	.2563	.2563
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4400	4.4400
United Kingdom ..	Pound	4.4400	4.4400
United States ..	Dollar	1.1025	1.1025
Uruguay ..	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela ..	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competition to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either edition are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

OTTAWA, MARCH 30, 1946

UNITED KINGDOM SHIPPING INDUSTRY

By H. L. E. PRIESTMAN, *Canadian Trade Commissioner at London*

The annual report of the Chamber of Shipping, which has just been published, recalls that more than half of 22 million deadweight tons, with which the United Kingdom entered the war, has been lost as the result of enemy action. Part of the loss has been made good by new building and acquisition; but, excluding $3\frac{1}{2}$ million tons of Dominion and foreign-owned vessels operating under charter, the country's fleet on June 30, 1945, amounted to less than three-quarters of the pre-war total.

The United Kingdom depends largely upon tramp cargo vessels for supplies of food and raw materials. By the end of the war, out of some 750 deep-sea tramps at the beginning, 571, or nearly 75 per cent, had been sunk.

Other sections of the industry also suffered severely. Of the great liner fleet of some 1,100 vessels ($8\frac{1}{2}$ million gross tons) in 1939, about half have been sunk and many of those which survive are still in war service and will need complete reconversion before they are fit for their normal work. Tanker owners have lost about 50 per cent of their vessels and among the coasters and smaller ships the destruction was considerable.

United Maritime Authority

During the autumn it was agreed by the governments concerned that the United Maritime Authority should come to an end on March 2, 1946. This Authority was established by International Agreement in the summer of 1944, when the contracting govern-

ments accepted as a common responsibility the provision of shipping for military and other tasks arising out of the war in Europe and the Far East, and for the supplying of all the liberated areas as well as the United Nations generally and territories under their jurisdiction. It was brought officially into operation on May 23, 1945. The United Maritime Executive Board, through its London and Washington branches, worked smoothly in spite of a number of difficulties inherent in any scheme to be operated internationally.

A further meeting of the United Maritime Executive Board was recently held in London to provide an opportunity to consider whether any continued international co-operation arrangements would be desirable in the field of shipping beyond the termination of the U.M.A. period.

Postwar Policy

The Chamber states that the policy of the United Kingdom shipping industry is to have a fleet as large as pre-war, and as much larger as enterprise and initiative can make it. World expansion of trade is necessary for the prosperity of the mercantile marine, and there must always be borne in mind the important contribution which shipping earnings make to the nation's invisible exports.

The Chamber, which co-operates with the General Council of British Shipping in the formulation of shipping policy, states that it has been possible during the last six months to

make some progress towards the establishment of a postwar program of action.

In a recent statement of policy the Government announced that it is not intended to nationalize the shipping industry. With regard to release from requisition, the Government also decided that dry cargo ships, other than those employed in troop or other direct military or naval service, shall be released from requisition on the termination of voyages after March 2, 1946, when the present charters expire. Some measure of control over employment of shipping is, however, still retained.

Disposal of World Surplus Tonnage

The report refers to the existence of very large blocks of war-built tonnage remaining in the hands of governments and expresses the opinion that this fact has a paralyzing effect upon the future of the shipping industry as a whole.

As the great bulk of the surplus tonnage is under the United States flag, the Chamber welcomes the action which has already been taken in the United States to sterilize a substantial proportion of the United States surplus and for the disposal of the marginal residue above the active requirements of the United States in their foreign and domestic trades.

The British Government has issued a new scheme for the disposal of the vessels remaining in its ownership. It is not, however, an agreed scheme, although the industry was consulted on some of its details.

International Co-operation

Discussing the future of international co-operation in relation to shipping, the Chamber states that the machinery exists in the Liner Conferences, the International Tanker Owners' Association and the International Shipping Conference which, with some necessary adjustments, are well

suited to take care of the problems which will confront the industry. The General Council announced last year its intention to call a meeting of the International Shipping Conference "as soon as the Allied Governments have declared their policy regarding surplus war-built ships" and conditions have been advanced to a point which would make such a meeting fruitful.

According to the Chamber, the International Shipping Conference did a great deal of valuable work between the wars, partly in promoting personal contacts and mutual understanding between shipowners of different nationalities, and partly in co-ordinating the views of the industry on a wide range of questions, mostly of a technical character. Thus, it prepared the ground for the revised Safety, Load Line and Wireless Conventions; contributed to the framing of The Hague and York-Antwerp Rules; promoted (through the Comité Maritime International) conventions on limitation of liability, mortgages and liens, bills of lading, and immunity of state-owned ships; did much to secure the virtual abolition of double taxation of shipping; assisted the unification of international sanitary regulations; examined the problem of uniform tonnage measurement; and most important of all, set the pace for the Maritime Ports Convention by which a threatened wave of flag discrimination after the last war was effectively arrested.

It is emphasized, however, that the International Shipping Conference has never sought, and was not designed, to interfere with liner conferences or tanker matters in settling (whether nationally or internationally) questions of freights, tonnage, or sailings. In the tramp sphere, on the other hand, where no conference machinery exists, it was found, before the war, that the International Shipping Conference offered a convenient method of international self-regulation by means of such agreements as minimum freight schemes.

EXTERNAL TRANSACTIONS OF THE UNITED STATES IN 1945

From the SURVEY OF CURRENT BUSINESS published by the Department of Commerce.

The end of hostilities launched a new chapter in international trade relationships. During the first half of 1945 the broad trends in exports and imports conformed to the general picture which had become familiar during the preceding war years. Following VJ-day, however, important changes occurred, contrasting sharply with the earlier situation.

Foremost among these changes were: (1) The cessation of "straight" lend-lease (except in a few special cases) and reverse lend-lease as contributions to the common war effort; (2) the expansion of credits to foreign countries, resulting in a large net outflow of long-term capital for the year 1945, in contrast with an inflow in the preceding three years; and (3) a marked reduction in the final quarter of 1945 in the net transfer of gold and dollar balances to foreign countries

For more than four years lend-lease was an integral part of the services of supply of the concerted United Nations' war effort. During its operation from March, 1941, to October, 1945, goods valued at about 38 billion dollars were transferred to foreign countries, excluding transfers on a cash or credit basis. . . .

. . . . The sharp reduction by the year-end in goods and services supplied foreign countries under arrangements not requiring payment was offset to some extent by the increase in transactions necessitating payments in cash or the extension of credit. Most of this gain resulted from credits extended for the transfer of goods in lend-lease inventories and "pipeline" and to finance the acquisition of surplus property and installations abroad, and for civilian supplies furnished by the Army and Navy

Merchandise Transfers

Total transfers of goods by the United States to foreign countries,

including transfers from overseas supplies, were slightly in excess of 11 billion dollars last year as compared with the record amount of 14.6 billion dollars in 1944. Excluding shipments under "straight" lend-lease and UNRRA and transfers from overseas supplies, merchandise exports last year were somewhat more than 5 billion dollars.

Compared with merchandise exports averaging about 3 billion dollars in the years 1936-38, the 5-billion-dollar figure represents an increase of roughly two-thirds. During this same period, however, it is estimated that the prices of non-military export goods rose by 40 to 50 per cent. Thus it seems that the increase over the pre-war period is largely attributable to higher prices and that the physical quantity rose by a relatively small amount.

. . . . The drop in total exports between 1944 and 1945 was concentrated in lend-lease shipments. Both relief shipments and exports for cash or credit increased substantially between the two years.

UNRRA shipments grew rapidly during 1945 and were about 12 per cent of total exports from the United States in the fourth quarter. In addition, a sizable amount of UNRRA purchases were made from United States-owned surpluses abroad.

Trends in Goods and Services

The trend in total goods and services received from foreign countries in 1945 was very similar to that for goods and services supplied, although the changes were within a smaller range. Receipts were down from 1944—largely because of smaller receipts abroad under reverse lend-lease—and the final two quarters were below the first half of the year.

The value of goods physically imported into the United States was somewhat reduced in the latter half of 1945, but for the year as a whole the total was somewhat larger than the 1944 figure. . . .

The quantity of imports last year apparently was not much higher than the 1936-38 average. The higher dollar volume was largely the result of higher prices. Considerable changes from the pre-war period were evident, however, in the areas from which imports were obtained. During the first nine months of 1945 the Western Hemisphere supplied approximately two-thirds of the goods brought into this country as compared with less than two-fifths during the 1936-38 period.

Services Obtained Abroad

In 1945 services obtained by the United States from foreign countries are estimated to have exceeded services rendered by about 800 million dollars—including transactions under lend-lease and reverse lend-lease. The largest item in the service category was payment for services to our armed forces on foreign soil. Other transactions were income and expenditures arising out of travel, shipping, and various smaller services, such as communications and insurance.

Expenditures by the armed forces in foreign countries reached a peak annual rate of about 2 billion dollars in the second quarter of 1945, but by the final quarter they were reduced to approximately half that amount. The greater part of these expenditures consisted of spending by troops; the balance was for local labour, transport, quartering of troops, and other services.

Personal expenditures by troops in foreign countries, except occupied countries such as Germany and Japan, have been, or will be, settled in dollars, whereas the balance of the expenditures of the armed forces in so far as they were made in allied countries, was largely supplied to us under reverse lend-lease. In former enemy countries, with the exception of Italy, all local currency is provided by the occupying authorities without compensation.

Outflow of Capital

In 1945 there occurred the largest outflow of long-term capital from the United States since World War I. This movement was closely related to war-time operations and was almost entirely financed by the Government.

The principal factors responsible for the large capital outflow were: (1) credits to cover delivery of lend-lease goods and sale of surplus stocks after VJ-day (estimated at about 850 million dollars); and (2) credits to cover deliveries of civilian supplies from Army and Navy stocks to some of the liberated countries (approximately 900 million dollars).

Loan to United Kingdom

The first class of credits includes 650 million dollars extended in accordance with the provisions of the recent settlement with the United Kingdom for lend-lease, reciprocal aid, surplus war property, and claims. A financial agreement reached at the same time proposed a line of credit of 3,750 million dollars to assist the United Kingdom in financing the anticipated deficit in its balance of payments during the post-war transition period. If approved by Congress, this line of credit will be drawn upon substantially over the next two years, although it will be available until the end of 1951.

Credits for the payment of goods in the lend-lease pipeline on the termination date have also been extended to the Soviet Union, France, the Netherlands, and Belgium, while credits have been extended by the Export-Import Bank to cover goods requisitioned but not yet contracted for under the lend-lease mechanism as of VJ-day as well as to cover other types of goods needed abroad

Investment Income

The expanded outflow of long-term capital last year did not cause any rise in income from foreign investments. Preliminary estimates place such income at somewhat more than 500 million dollars in 1945—approximately the level of the several preceding

years. Payments to foreigners are estimated at 180 million dollars.

Investment income has been running below the amount received in 1938, chiefly because the elimination of income from enemy-occupied countries has been only partly offset by increased receipts from other countries.

Foreign Dollar Balances

As in previous war years, supply restrictions and shortages of shipping space prevented foreign countries from converting into goods and services for their own use all the dollar exchange received from the sale of goods and services to the United States last year. Consequently, there was an outflow of

gold approximating 500 million dollars (including additions to gold earmarked for foreign account) and about 1,540 million dollars were added to foreign dollar balances.

If the outflow of gold and the increase of foreign dollar funds during 1945 are examined by quarters, it is evident that there was a sharp decline in the latter part of the year. In view of the increased availability of civilian goods in this country and the large accumulated foreign demand for United States merchandise, it is expected that the gold flow will be reversed and that there will be some reduction in foreign dollar holdings before the end of 1946.

REVISED PRICES FOR MAPLE SYRUP IN THE UNITED STATES

Mr. W. D. Wallace, Assistant Commercial Secretary at Washington, writes under date March 13, 1946, that the United States Office of Price Administration has announced an amendment to Revised Maximum Price Regulation No. 312 for maple syrup and maple sugar. The amended regulation, effective March 8, 1946, concerns the producer's maximum prices

for maple syrup sold in bulk. The producer's maximum price f.o.b. loading point for the following grades of maple syrup sold in bulk should be as follows:—

The above prices amount to an increase of four cents per pound over the maximum prices established under Revised Maximum Price Regulations No. 312, March 27, 1944.

Maximum Prices per Pound, Baume

	33°	34°	35°	36°	37°	38°
Grades				Standard		
Fancy AA	\$0.21	\$0.22	\$0.225	\$0.23	\$0.2325	\$0.235
A .....	.20	.21	.215	.22	.2225	.225
B .....	.19	.20	.205	.21	.2125	.215
C .....	.18	.19	.195	.20	.2025	.205

RAMIE—AN ANCIENT FIBRE

Announcement of a five years' plan for the cultivation of ramie in Florida lends interest to consideration of this fibre. Few fibres have longer history; its proven use dates back to the Theban supremacy, that is, fully 3,000 years. Fragments of fabrics then made are to be seen in museums—a remarkable testimony to the fibre's properties and to the textile skill exercised in those remote times. There seem to have been centuries when ramie disappeared from the human scene; but it is probable that local use has always persisted.

Whether the nettles from which ramie is derived grew in ancient Egypt is unknown; it would not be surprising if they were to be found there, seeing that the plant is successfully cultivated in the Egypt of to-day. The existing centre of ramie growing is China; indeed, the fibre at a relatively early stage of preparation is known as China grass. It is from that country the world's supply of the fibre is now chiefly obtained, although, under normal circumstances, small quantities also come from India, Japan and elsewhere.

—From *The Chamber of Commerce Journal* (London, England).

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Attaché at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia).

Their itineraries as presently arranged are as follows:—

Mr. Allen

Toronto—Apr. 1 and 2.
Sarnia and district—Apr. 3 and 4.
London—Apr. 5.
Brantford—Apr. 6.
Hamilton and district—Apr. 8 and 9.
Kitchener—Apr. 10.

Sherbrooke—Apr. 12.
Granby—Apr. 15.
Drummondville—Apr. 16.
Montreal—Apr. 17 to 24.

Mr. Mutter

Windsor and district—Apr. 1.
London and St. Thomas—Apr. 2.
Hamilton and district—Apr. 3 to 5.
Kitchener and district—Apr. 8.
Guelph—Apr. 9.
Vancouver and Victoria—Apr. 15 to 20.
Edmonton—Apr. 22.
Hamilton—Apr. 25.
Ottawa—May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Montreal with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

ECONOMY AND TRADE OF VENEZUELA

II

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

Foreign Trade

The foreign trade of Venezuela in normal times is notable for the variety and volume of imports. On the other hand, the exports are limited to a very few commodities; apart from oil, coffee and cocoa, their volume and value is not important.

It is essential to keep in mind the bearing of the oil industry on both imports and exports. Excluding oil, the volume of Venezuela's principal exports was no greater in 1936 than in 1913 and the value was less. However, Venezuela's merchandise imports (exclusive of importations of the foreign-owned oil companies) increased greatly from 1913 to 1936.

The foreign exchange position of Venezuela does not suffer as might be expected as a result, since the mer-

chandise exports do not include the share of the oil exports falling to the Venezuelan Government. Furthermore, the bulk of the purchases of the oil companies' requirements in capital equipment and consumers' goods are made in the United States or elsewhere, with balances held in the United States and no consequent pressure on Venezuelan exchange to provide U.S. funds in payment. There is no reason to suppose that imports into Venezuela will be curtailed due to a shortage of U.S. dollar exchange within the visible future, and in this important respect Venezuela differs from many other republics of Latin America.

The second World War caused a marked change in the direction of Venezuela's foreign trade. In 1938 Europe took 62 per cent of Venezuela's

merchandise exports, the United Kingdom purchasing 17 per cent and European countries the other 45 per cent, while the United States absorbed only 27 per cent and Central America and the remainder of South America 10 per cent. The war caused the practical closing of the European market by the end of 1941. However, the United States and the countries of Latin America readily absorbed Venezuela's available export surplus.

In 1938 Europe supplied 39 per cent of Venezuela's total merchandise imports, 7 per cent originating in the United Kingdom, while the United States supplied 56 per cent. The proportion from the United States increased substantially as the war progressed and Europe became practically closed off as a source of supplies.

The following figures of external merchandise trade (excluding petroleum, gold, silver and nickel) show the fluctuations in values of exports and imports during the nine years 1935 to 1942 inclusive:—

	Exports Millions of Bolivars	Imports Millions of Bolivars
1935	61.04	158.56
1936	79.05	206.71
1937	80.62	300.61
1938	59.01	310.02
1939	58.00	336.16
1940	51.88	311.14
1941	61.01	287.83
1942	74.84	215.69
1943	64.66	222.05

IMPORTS

Table 1 shows Venezuela's imports by commodity groups and principal commodities in 1939 and 1943, according to Venezuelan official statistics, and indicates broadly both the variety and range of imports and the wartime changes in importations.

TABLE 1

Venezuelan Imports by Principal Commodities

	1939 Bolivars	1943 Bolivars
Food and Drink	46,496,302	32,242,677
Meat and fish products	2,695,744	253,619
Lard, oil and greases	3,911,991	2,178,170
Eggs, milk and their products	12,795,334	9,428,302
Vegetables, fruits and spices	3,461,548	1,665,083
Cereals, flours, starches	13,160,491	12,228,534
Food for animals	122,129	15,790
Tinned foods, preserves, etc.	4,375,579	4,522,798
Alcoholic drinks	3,047,141	1,862,561
Non-alcoholic drinks	296,793	86,859
Textiles	36,300,199	51,523,955
Raw cotton	1,053,741	3,626,133
Cotton yarns	1,767,931	5,021,183
Pure cotton cloth	13,900,383	20,593,871
Duck, plush, knitted and special cloth	1,091,294	1,616,628
Mixed cotton cloth	278,565	87,070
Cotton manufactures	281,011	2,551,902
Raw linen and ramie fibres and yarns	83,118	99,548
Linen and ramie cloth	2,190,710	1,222,364
Linen and ramie manufactures	180,455	118,236
Wool raw and yarns	83,118	854,292
Woollen cloth	2,596,024	3,482,708
Woollen felts	428,733	725,187
Woollen manufactures	530,549	420,263
Silk, raw, and yarns	408,073	1,089,929
Silk cloth	2,717,486	1,089,929
Silk manufactures	2,228,973	1,819,913
Raw hemp, jute, etc.	866,528	190,045
Hemp and jute cloth	461,236	477,832
Hemp and jute manufactures	238,961	401,012
Oilcloth, linoleum and manufactures	519,147	318,192
Sundry textile manufactures	914,958	983,624
Animals and Animal Products	5,184,125	5,980,636
Live animals	230,178	6,253
Bones, horns and manufactures	118,278	216,459
Hairs, bristles and feathers	403,155	359,371
Furs, skins, etc., and manufactures	4,261,693	4,806,032
Fatty animal substances .....	....	461,565
Sundry animal products	170,821	131,156

TABLE 1
Venezuelan Imports by Principal Commodities—Conte.

	1939 Bolivars	1943 Bolivars
Vegetables and Vegetable Products	3,904,440	6,984,558
Plants, seeds, etc.	1,174,167	1,947,647
Gums and resins	239,793	853,866
Lard substances	511,045	1,538,605
Rubber, ebonite, gutta percha and manufactures	1,431,168	1,329,216
Sundry vegetable products	548,267	1,315,224
Wood, Paper, Cardboard	7,278,152	8,595,975
Lumber, wood, etc., not manufactured	630,934	324,271
Lumber, wood, etc., manufactured	1,495,250	302,968
Paper and cardboard not manufactured	2,853,524	6,223,867
Paper and cardboard, manufactured	2,298,444	1,744,869
Minerals, Glass, Ceramics	16,900,742	14,317,517
Glass and crystal	2,639,546	2,380,227
Ceramics	1,225,315	1,113,873
Oils, tars and sub-products	5,166,474	5,874,007
Sundry mineral products and their manufactures	7,869,405	4,949,410
Metals and Metal Manufactures	61,449,871	25,273,141
Fine metals	1,449,065	1,552,713
Copper, bronze, tin and manufactures	3,622,373	3,326,633
Iron and steel, raw and semi-manufactured	8,118,387	5,178,723
Iron and steel manufactures	43,975,540	13,234,478
Aluminium, antimony, tin, lead, zinc and manufactures	1,252,392	398,552
Common alloys of ordinary metals and their manufactures.	141,416	44,794
Manufactures for specific uses regardless of their metal content	2,887,878	1,483,252
Machinery, Equipment and Accessories	81,957,438	22,665,138
Vehicles and accessories	30,454,151	7,637,464
Sundry	51,503,287	15,027,674
Chemicals	14,805,688	26,379,644
Pharmaceutical products	9,013,667	11,704,739
Explosives and pyrotechnical products	942,714	855,552
Perfumes, soaps, etc.	1,926,131	815,316
Paints and colours	2,261,053	5,612,877
Chemicals	3,594,445	6,934,718
Sundry preparations and substances	2,376,719	3,012,970
Miscellaneous	14,991,052	9,522,017
Gymnasium and sports articles, games, toys, etc.	1,868,771	778,453
Electrical material	6,589,243	4,416,448
Sundry articles	6,533,038	4,327,116
Duty-free Goods	29,934,158	17,141,763

In 1939 the leading group in value was machinery and equipment, followed in order by metals and metal manufactures, food and drink, textiles, and minerals and glass. In 1943 imports of the first three had fallen sharply and the textile group was first with a substantially increased value, although the volume of textile imports had declined. In spite of its lower value, the food and drink group was second, while chemicals, with value nearly doubled, was third. Next in order were metals and metal manufactures, machinery and equipment, and minerals and glass.

Total value of imports in 1943 was roughly two-thirds that of 1939, while the total volume was only 287,356,399 gross kilos, or about two-fifths the 1939 figure of 702,289,152 gross kilos. These proportions are indicative of the general advance in price of imports. The decline in the leading imports of

1939 were mainly due, of course, to diversions to war needs in supplying countries, principally the United States.

The increased imports from Latin American countries during the war covered a fairly wide range of commodities. Among these, textiles have occupied a leading position. Argentina, Brazil, Colombia and Mexico have shared particularly in this increased business, while Ecuador, Chile and Panama have also contributed to it.

EXPORTS

Petroleum and its derivatives, as already indicated, occupy a preponderant position in Venezuelan exports. Besides gold, the list of other exports is small; the principal ones being coffee, cocoa, cattle, hides, vegetables and fruits, mineral products, vegetable products and fish. Table 2 shows the value of exports in 1943 according to official Venezuelan statistics.

TABLE 2
Exports by Principal Commodities

	1943 Bolivars
Coffee	34,241,885
Cocoa	10,665,303
Cattle	4,952,071
Hides, raw	1,391,540
Vegetables and fruits	2,141,392
Lumber	175,879
Pearls	63,288
Tobacco	18,034
Meats	153,135
Fish products	1,490,766
Alcoholic beverages	1,197,781
Sundry food products	859,624
Animal products	116,725
Vegetable products	2,011,814
Mineral products	2,939,950
Miscellaneous manufactures	2,221,680
All other commodities	17,874
Total commodities	64,658,741
Gold, not coined	8,734,001
Petroleum and derivatives	786,201,931
Total exports	862,085,143

Trade with Canada

Owing to Canada's large purchases of petroleum, Venezuela enjoys a favourable balance in her trade with the Dominion. During the immediate pre-war years the excess of exports to Canada over imports from Canada was of moderate size, as shown in Canadian trade returns. The official Venezuelan statistics, however, showed a larger margin, owing to the identity of many imports from Canada being lost because of the routing of shipments via United States ports. During the war years the trade balance in Venezuela's favour rose greatly as the result of the large expansion in Canada's purchases of petroleum and fuel oil.

The following figures show the value of Canada's trade with Venezuela for the years 1938 to 1945 inclusive, according to returns compiled by the Dominion Bureau of Statistics:—

	Canadian Imports	Canadian Exports
1938	\$ 1,468,752	\$ 1,256,162
1939	1,943,103	1,702,267
1940	3,118,309	1,719,511
1941	6,526,784	1,733,952
1942	9,273,744	797,384
1943	6,003,826	735,449
1944	13,826,241	1,810,339
1945	17,267,303	4,053,042

Venezuela's exports to Canada consist almost entirely of petroleum.

Coffee, with occasional small shipments of cocoa beans, account for most of the remainder of the trade.

Imports from Canada, on the other hand, include a varied range of commodities. Leading pre-war items were rubber tires and tubes, condensed and evaporated milk, wheat flour, newsprint and other papers, seed and other potatoes, calcium carbide and sewing machines. During the war exports of some of these declined or ceased entirely, while there were increases in certain others and a number of new items appeared in the trade. However, owing to wartime restrictions and shipping difficulties, imports from Canada varied considerably during the war years. Table 3 shows imports from Canada in 1939 and 1943 according to official Venezuelan statistics. The comparable Canadian figures, as already pointed out, show more items and larger values.

Imports of Special Interest to Canada

PULP AND PAPER

Venezuela offers an attractive market for paper of all kinds. Imports of newsprint and printing papers in 1939 totalled 4,471,452 kilos, valued at Bs.889,770. The principal suppliers were the United States, Canada and Germany. Venezuela depended on Canada throughout the war for newsprint and it should be possible for Canada to retain a large share of the market.

Kraft paper for bags is used in large quantities in the cement and sugar industry and the former industry is due for a very considerable expansion of production—up to 1,300 tons daily—in the near future. Hitherto, kraft bags have been imported, but a bag-manufacturing industry may be established to take care of local requirements, as in the case of Colombia. Imports of kraft rolls during 1943 totalled 82,625 kilos valued at Bs.67,902. The United States is shown as the only supplier. Imports of paper manufactures, which include bags, totalled 376,337 kilos valued at Bs.399,624. The cement industry alone will require

TABLE 3
Imports into Venezuela from Canada

	1939 Bolivars	1943 Bolivars
Salmon in tins	9,295	....
Sardines in tins	13,539	....
Milk, evaporated, condensed, etc.	1,183,588	....
Potatoes	103,539	....
Seed potatoes	192,617	160,910
Beans, peas, lentils	933	....
Oats, rolled	42,361	65,241
Malted barley	15,509	....
Wheat	3,940	....
Wheat flour	62,714	611,721
Special dietary preparations .....	....	3,256
Whiskey	4,918	12,606
Gin	191	131
Sterilized fruit juices	1,565	....
Cotton printed cloth	5,648	1,376
Garments, outer, pure silk	11,241	....
Underwear, pure silk	4,539	....
Rope	39,345	....
Felt, manufactured and semi-manufactured .....	....	7,879
Leather, n.o.p.	15,107	1,612
Rubber hose	646	2,730
Brushes, bristle .....	....	7,198
Insulating wooden boards	1,741	....
Tanned leather, not manufactured .....	....	67,643
Plain white paper	37,077	14,931
Cardboard, common	2,991	....
Cement, Portland	11,324	....
Copper wire, covered	17,595	153,112
Copper wire for underground use .....	....	8,894
Copper, bronze, brass, etc., n.o.p.	3,013	13,217
Iron or steel plates	2,564	....
Iron or steel pipes	7,491	40
Iron or steel pipe fittings	1,116	8,384
Iron or steel razor blades .....	....	43,578
Iron or steel manufactured, n.o.p.	5,897	....
Aluminium wire, cable, etc.	36,827	....
Industrial animal oils .....	....	19,763
Cellulose paste for paper manufacture .....	....	144,401
Rubber tires	430,337	....
Rubber tubes	40,294	....
Naval craft	74,799	....
Refrigerators	6,179	....
Sewing machines	122,962	....
Lamps and lanterns, n.o.p.	14,040	1,528
Motors	8,275	....
Sodium cyanide .....	....	9,054
Calcium carbide	80,979	192,817
Electric light meters	16,952	41,904
Electric light batteries .....	....	52,109
Accessories for electric light installation	2,169	10,813
Textile machinery and parts .....	....	21,014
Plain white paper (water-marked)	217,095	272,854
Pharmaceutical products .....	....	7,216
Electric or gas irons	4,836	....

more than 8,000,000 kraft bags annually. The market for many types of paper is important. Wrapping paper, writing paper, wallpaper are all imported in considerable quantities.

There is a small paper-manufacturing industry in Venezuela, the chief mill being at Maracay, producing wrapping paper of moderate quality. As an indication of annual pulp requirements under normal conditions, imports in 1939 amounted to 4,338,554 kilos valued at Bs.432,998, the chief suppliers being Finland, Sweden and

Germany. Pulp imports in 1943 totalled 3,246,370 kilos valued at Bs.886,100, the chief suppliers being the United States and Canada.

There is also a carton manufacturing establishment in Caracas which produces a portion of the country's board requirements.

A rayon yarn mill is projected and it will require 500 to 600 tons of rayon pulp annually from the time operations commence, probably in the middle of 1946.

FLOUR

Venezuela is an important market for wheat flour and Canadian flour is known and well liked. Total imports of wheat flour in 1939 amounted to 38,005,613 kilos valued at Bs.4,991,-602. The United States was the chief supplier, Canada supplying only 496,-474 kilos valued at Bs.62,714.

There is recurring talk of the establishment of a flour-milling industry in the country sufficient to take care of local requirements and this may eventually be done. However, there would still be some market for imported flour and a greater market for imported wheat, since Venezuela cannot grow sufficient wheat to meet more than a small share of the country's requirements and the quality cannot be compared to the hard Northern wheat.

The trade in rolled oats and oatmeal from Canada is well established and should continue in fair volume.

SEED POTATOES

A limited but steady market is available for seed potatoes. The imports in 1939 totalled 1,618,776 kilos valued at Bs.247,833, of which Canada supplied 1,260,844 kilos valued at Bs.192,617. There may be some development in the potato-growing industry calling for more seed and in the event of a poor crop there may be an occasional market for table potatoes.

AGRICULTURAL MACHINERY

Venezuela is an agricultural country and the Government is earnestly endeavouring to raise the productive capacity, which has fallen back of late years. The market is attractive for tractors, chiefly caterpillar type, and all classes of agricultural machinery and hand tools.

BARYTES

The export of this heavy, non-metallic mineral from the mines in Nova Scotia to Venezuela promises to be an important bulk item in freight movement. Barytes is used in large

quantities in oil-well drilling to settle the gas pressure in the wells and with the tremendous drilling program under way in various sections of Venezuela, the demand for barytes will be very great, amounting to several shiploads annually. Shipments approximately worth Bs.285,000 were made in 1944 from Canada.

METAL MANUFACTURES

This general group provides the greatest opportunity of expansion as the demand is very urgent and there is practically no local production. A tremendous back-log of consumer demand has been built up during the war and quantities of refrigerators, electric stoves, gas stoves, radios, electric washing machines, aluminum cooking utensils, enamelware, copper wire, sanitary ware and fittings, copper cable, aluminum cable and aluminum products, and many other items will be readily absorbed as soon as they can be shipped. In many of these lines Canadian manufactures should be competitive.

Trade Policy

The tariff policy of the Venezuelan Government has been formed and administered with a view to extracting relatively high revenue from all imports, including essential food products such as flour, and this tariff policy has been an important contributing factor to the high cost of living in Venezuela. Tariff reform is a perennial political topic and recently certain modifications of the high duties on foodstuffs and other materials were introduced. It is noteworthy, however, that in this revision the duty on imported flour was not reduced and the cost landed in Caracas is more than double the f.o.b. price in North America.

During the war years there developed, as elsewhere, a considerable degree of bureaucratic control over the economy of the country, and this control is likely to be abandoned only with the greatest reluctance on the part of those in authority. The Venezuelan Government has set up a powerful con-

trol body, the Comisión Nacional de Abastecimiento, which came into being at the beginning of 1945 and took over the duties of the former Import Control Commission, the Price Control Commission and similar activities. It has every appearance of being a permanent body vested with considerable authority.

There is no exchange control in Venezuela owing, as explained earlier, to the excess U.S. funds available, but there is a system of multiple exchange rates. A decree of July 23, 1941, provided for a controlled and a free exchange market and the obligatory sale of certain dollars through the Central Bank, but this controlled market was discontinued on May 18, 1942, being no longer necessary.

Import permits from the Comisión Nacional de Abastecimiento are necessary for a wide variety of products. These import licences can be used for various purposes and may afford effective protection to any local industry, which the Government or vested interests might wish to make more secure than could be accomplished simply by means of the tariff. Local industry expanded considerably during the war years and it is probable that little of it could survive under open competition. However, little anxiety is being shown for the future on the part of these manufacturers and it is evident that they expect ample protection from the Government in one form or other.

Venezuela has trade agreements in effect with several countries and Canada enjoys the privileges of the most-favoured-nation agreement arranged with Great Britain. The United States has a commercial treaty in force which prevents the Venezuelan Government from arbitrarily increasing duties on certain specified products from that country and calls for reciprocal action on the part of the United States.

Postwar Position

The war years have brought about great developments in Venezuela and the country has gained substantially thereby. The greatly increased activity in oil exploration and exploitation has

been a direct result of the war and ample reference has been made to the importance of this in the national economy. The funds are available to purchase vast quantities of materials and supplies required for the development of the country's resources. The standard of living of the masses must be raised and this will proceed hand in hand with the development of Venezuela's resources.

The Government is committed to a great program of public works which was inaugurated by the President in January, 1942. The total cost of the program to be completed by the end of 1946 was estimated to be in the neighbourhood of 400 million bolivars, but this figure will be greatly exceeded. Practically all types of public works are included in the project and, in addition, dredging of the mouth of the Orinoco River will be undertaken to improve river shipping facilities.

No anxiety need be entertained regarding the permanence of the wartime development in Venezuela. Venezuela needs a greater diversification of industry, improvement and expansion of the existing industries, better housing and living conditions for the workers, and improved transportation and communication facilities. These developments will come about in due course and events are proceeding rapidly.

Large foreign corporations are taking an active interest in the exceptional opportunities offering in Venezuela and many of them are prepared to provide both capital and technical supervision for their projects. Unfortunately, the country sadly lacks a suitable reservoir of labour and this is a problem that apparently can only be solved by a sound policy of encouraging suitable immigration from Europe.

The war has proved to be a blessing in disguise for Venezuela. The reduced imports of the war period have given a considerable impetus to local production and the urgent wartime demand for oil and petroleum products has forced that industry along at a rapid rate of development. In the five

years of war, the financial position of the country has improved tremendously and there is now available a large volume of funds to purchase consumption goods and also to finance the import of production goods needed for the development of the country's resources.

Trade Outlook

Venezuela could become an important outlet for a wide variety of raw materials and manufactured products from Canada and a considerable increase in the volume of imports from Canada may be expected when the shipping and supply positions permit.

Canada's exports to Venezuela prior to the outbreak of war were chiefly wheat flour, paper of various kinds, leather, seed potatoes, evaporated milk, rolled oats, some metal products, calcium carbide and an unimportant variety of manufactured goods. The present prospects for Canadian trade with Venezuela are excellent and apart from continuing to do normal business in lines already established, there are important new prospects to be developed. Venezuela is undergoing a marked change industrially and there is a strong demand for production goods, whereas before the war the emphasis was on consumers' goods. The oil industry consumes annually a very considerable tonnage of iron and steel products and with the establishment of the new refineries in Venezuela this consumption will increase. The consumption of equipment and materials of all kinds for the oil industry alone is tremendous.

It is important to visualize Venezuela as a rapidly developing country with enormous potentialities, vast resources, particularly petroleum, and ample United States funds available for purchases of both capital production goods and consumers' goods. Canada has not figured prominently in the Venezuelan market and the limited trade has been chiefly in consumers' goods. This market can be expanded very considerably, but every effort

should be made to secure a good share of the production goods and plant and equipment business, as these provide a much sounder basis for permanent trade. If Canadian plant and equipment is supplied, there is always a probability that any plant extension or renewals will also go to the Canadian firms, and the repair parts and maintenance business automatically goes to the original supplier.

The figures of Canada's exports to Venezuela merit close study on the part of any manufacturer or exporter interested in Venezuela as a prospective market. They indicate the pattern and variety of the trade. Almost any item can be expanded and many additional ones introduced. The market is an open one and available to any competitive supplier of almost any product.

POSTWAR TRADE REVIEWS

This is a series of reports designed to provide for Canadian exporters, potential exporters and others interested in the promotion of Canada's external trade a general description of the economy and trade of a number of Empire and foreign countries, the changes that have occurred in them during the war years, and an indication of the possible opportunities for Canadian trade with them during the early postwar years. The reports, prepared by Canadian Trade Commissioners, deal with the resources, production and industries of the country, its wartime industrialization, if any, its pre-war and wartime trade, trade with Canada, tariff structure, trade policy, etc.

Copies of pamphlets in this series are now available for the countries listed below and may be obtained free on application to the Department of Trade and Commerce, Ottawa:—

Argentina
Central American Republics
Chile
Cuba
Ecuador
Haiti and Dominican Republic
India
New Zealand
Peru

Pamphlets on other countries are in course of preparation and will be listed when ready for distribution.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

GOVERNMENT WHEAT MARKETING RE-ESTABLISHED

Government marketing for the 1945-46 wheat crop has been re-established by the Argentine Government, according to a decree dated November 10, 1945. The new regulations establish a fixed guaranteed government purchasing price of 15 paper pesos per 100 kilograms for the wheat crop, in bags, grade 2, on cars, at the port of Buenos Aires, adjustment in the price to be made for deliveries at other ports.

Argentine flour mills must purchase wheat for their 1946 operations in the open market at the fixed price of 15 paper pesos per 100 gross kilograms, but the millers will be paid a refund of 5 paper pesos per 100 gross kilograms on all wheat ground before November 30, 1946, by the Agricultural Production Regulating Board.

Government marketing controls for grain crops were abandoned in August, 1945, and the control for wheat has been re-established to avoid severe price fluctuations caused by foreign demand and domestic needs.

Brazil

EXPORTS OF COTTON TEXTILES

The export of cotton textiles and manufactures containing any amount of cotton thread has been suspended for a period of 90 days by a decision of the Comissao Executiva Textil on February 21, writes the Assistant Canadian Commercial Secretary at Rio de Janeiro under date February 26. It is intended to continue automatically this prohibition for equal periods unless the domestic requirements are being satisfactorily met.

Once this prohibition is ended, exports will be permitted in accordance with quotas stipulated for each factory by the Comissao Executiva Textil on the basis of deliveries made in 1945; but such exports are not to

exceed 20 per cent of the production of each factory and will only be permitted provided the authorities are satisfied that the remaining 80 per cent is actually being delivered to the Brazilian market.

An exception to the above provision is made to cover the case of deliveries of cloth to UNRRA and to the French Supply Council, under agreements already signed. In any case such exports must not constitute more than the 20 per cent limit referred to.

This ruling, which covers all current transactions, was to come into force on March 1, after which date no export permit will be granted by the Fiscalizacao Bancaria.

Denmark

FOREIGN TRADE IN 1945

Danish imports in 1945 were valued at 703.2 million kroner, showing a sharp decline from the value of 1,166.8 million kroner in 1944. Exports were also lower at 904.3 million kroner as against 1,360.5 million kroner. The excess of exports over imports in 1945 showed little change from 1944, therefore, being 201.1 as against 193.7 million kroner.

Denmark's foreign trade began to decline in January, 1945, the downward trend continuing until May, when exports were at the low figure of 28.7 million kroner as compared with 115.8 million kroner in May, 1944, and imports at 22.7 as against 99.8 million kroner. Exports regained the 1944 level in September and imports in November.

Imports from Germany in 1945 amounted to 167 million kroner, although in December they were valued at only 10.5 million kroner. Imports from Sweden were valued at 153 million kroner for the year, from the United Kingdom at 107, and from the United States at 27 million kroner. The United Kingdom was the leading destination of Danish exports, with a value of 309 million kroner, followed by Germany with 184 million kroner.

Exports to Germany in December, however, fell to only 4 million kroner.

Agricultural produce was the leading export group at 637 million kroner, followed by industrial goods at 181 and fishery products at 84 million kroner.

Greece

FINANCIAL STABILITY ENSURED

Reliable press information says Greek entire exchange totals £63,000,000 sterling, of which £25,000,000 is for the coverage of the drachma and the remainder for imports and production needs. The entire sum is convertible, if necessary, to bills of exchange on New York. An additional important amount will be available from Greeks abroad. Thus Greek monetary stability abroad is completely secured, since currency in circulation is covered by about 400 per cent. Stability will be secured by another £500,000 sterling which Tsouderos brought and by the £300,000 already here. The balance abroad in gold coins and gold remains entirely intact. This will afford the means for working about a year and a half on the country's rehabilitation, beginning with communications.

IMPORTS WITHOUT LICENCES

The Government Economic Council, under the presidency of Tsouderos, has decided to allow the free import without special licences of foodstuffs, clothes and shoes, construction materials, spare parts for machinery, agricultural machinery, cattle, medical products, and newsprint. The decision provides for the special taxation of imported goods.

Newfoundland

HERRING CANNERY

It has been announced that a Canadian company is to establish a large herring cannery on the west coast of Newfoundland. The site has been purchased at Petries below Curling in the Bay of Islands. It is intended that both Newfoundland "snacks" and

whole herring will be canned for export. The new enterprise should provide further impetus to herring fishery which has undergone considerable expansion in the past two years as a result of UNRRA contracts.

VOCATIONAL TRAINING SCHOOL

A new vocational training school for ex-servicemen is being established in St. John's under the supervision of an expert who has arrived from the United Kingdom. The school is to be located on the south side of St. John's Harbour in premises formerly occupied by the Royal Canadian Navy and it is expected that it will be in operation before the end of the present month. Applications for vocational training have been received from 600 ex-servicemen, but there is only accommodation available at the school for a maximum of 200 out of the 600 applicants. The technical staff will consist of seven school instructors from the United Kingdom.

COST OF LIVING

The cost-of-living index for St. John's at February 2, 1946, was placed at 162.2, or 2.7 higher than on January 5, 1945, when it stood at 159.5. Increases in the price of food, particularly potatoes and cabbage, contributed to this rise.

FINANCES

Newfoundland Government revenue for the first ten months of the fiscal year 1945-46 amounted to \$29,002,691, a slight decrease as compared with \$29,127,505 for the same period in the previous fiscal year. Revenue for the month of January, 1946, was \$2,739,996, an increase from \$2,722,742 for January, 1945.

Customs receipts for the period April, 1945, to January, 1946, amounted to \$15,912,496, compared with \$15,730,475 for the corresponding period in the preceding fiscal year. Direct taxation yielded \$9,092,911 for the first ten months of the fiscal year 1945-46 as against \$8,896,456 for the

like period in the fiscal year 1944-45. Expenditure for the first ten months of the fiscal year 1945-46 was placed at \$24,032,179, an increase over \$21,946,056 in the same period of the previous fiscal year. Surplus of revenue over expenditure for the first ten months of the present fiscal year totalled \$4,970,522.

NEWFOUNDLAND FROZEN FISH OUTPUT, 1945

The Newfoundland Fisheries Board has announced that the frozen fish output for the calendar year 1945 totalled 31,403,553 pounds. This is the highest total on record and shows a considerable increase over the 1944 production of 22,000,000 pounds. A large percentage of the total output consists of cod fillets as shown in the following table:—

Newfoundland Production of Frozen Fish

	Quick frozen	Sharp frozen	Total
Cod fillets	26,048,351	4,803,149	30,851,500
Haddock fillets	213,545	60,420	273,965
Rosefish fillets	51,265	44,410	95,675
Flounder fillets	35,310	44,805	80,115
Hake fillets .....	....	60,330	60,330
Catfish fillets .....	....	31,553	31,553
Halibut	10,415	....	10,415
Totals	26,358,886	5,044,667	31,403,553

The frozen fish output for January, 1946, is estimated at 525,850 pounds, and for February at 786,060 pounds.

New Zealand

GRAIN HARVEST, 1945

According to the final returns, the yield of wheat for the 1945 season totalled 6,992,204 bushels from 183,886 acres, the average yield per acre being 38.8 bushels. These figures compare with 7,208,485 bushels in 1944 from 233,786 acres, and 9,819,342 bushels in 1943 from 286,998 acres.

The harvest of oats was 4,209,143 bushels from 77,684 acres, the average yield per acre being 54.6 bushels. The previous season's crop was 1,934,957 bushels, and in 1943 the yield totalled 2,808,744 bushels.

The barley crop amounted to 1,384,957 bushels compared with 834,783 bushels in 1944, and 1,057,608 bushels in 1943.

WARTIME EXPORTS

The annual report of the Export Division of the Marketing Department for the year ended 1945 gives a review of its operations in the six years of war, and shows that in that period 700,000 tons of butter, 625,000 tons of cheese, and 2,039,000 tons of meat were dealt with. With the inclusion of smaller quantities of processed milk, the total major foodstuffs supplied during the war from New Zealand totalled 3,400,000 tons.

The total quantity of wool purchased during the war by the British Government was 5,400,000 bales, or 825,000 tons, of which 4,150,000 bales have been shipped and 1,250,000 bales remain in store. The quantity of tallow supplied during the war was 182,000 tons.

With the inclusion of other items such as woolly sheepskins, linen flax,

scheelite, hides and sundry War Office supplies, the total quantity of supplies from New Zealand during the war through the Export Division was 4,325,000 tons, to a total value of £417,130,000. The costs of the division for salaries, rents, cablegrams and other administrative items were £370,000 for the period of the war, or slightly under 0.1 per cent of the total value.

The Director in his comments said that during the war years the inevitable problems of sea transport, and loss of ships through enemy action, have led to acute storage difficulties in New Zealand. He added that these difficulties were met by the provision, with Government assistance, of emergency stores for frozen and other products, conversion of butter to dry butter-fat, manufacture of dehydrated meat, and changes in farming and production practice—notably the change-over from butter-making to cheese-making and subsequent change back to butter-

making—and the manufacture of greatly increased quantities of canned meat.

EXPORTS OF ANIMAL PRODUCTS

Overseas shipments of butter, cheese, frozen lamb, mutton and beef from New Zealand during the twelve months ended September, 1945, showed an increase of £15,274,011 in aggregate value over the previous twelve months, and were mainly responsible for a rise of £9,093,713 in the value of total exports for the period to £84,252,688. Wool exports, on the other hand, declined £6,093,359 from £15,222,857.

Butter was the leading export commodity in the 1944-45 period with a value of £22,410,282 as compared with £15,038,219 in 1943-44. Frozen lamb was second at £13,211,602 (£9,222,668 in 1943-44), cheese third at £9,707,737 (£7,414,710), followed by wool, which was first in 1943-44, and frozen mutton at £2,960,664 (£1,816,475).

South Africa

PRODUCTION OF ELECTRICAL APPLIANCES

Arrangements with Canadian and United States manufacturers to produce electric ranges and refrigerators have been made by a company now operating in Durban, according to a news report in the *Johannesburg Sunday Times* of February 17. The company is reported to be expanding its operations by opening workshops in Johannesburg, where it will manufacture washing machines and fluorescent lights, as well as electric ranges and refrigerators, for which a few fittings will have to be imported. It is claimed that the saving on freight

and customs duty should make the stoves and refrigerators cheaper than those imported.

In addition, the company plans, according to the news report, to produce porcelain enamelled sheet-iron kitchen furniture, including new types of built-in kitchen furniture, on a large scale at its new plant, and also pots, pans and other kitchen utensils.

United Kingdom

WARTIME OUTPUT AND USE OF NEWS-PRINT AND BOARD

Statistics of the production and consumption of newsprint and other paper and board in the United Kingdom during the war years, recently issued, show that from 1941 to November, 1945, the average weekly production of newsprint ranged between 2,000 and 3,000 tons as compared with 5,730 tons in 1940. Weekly output of other paper and board in the same war period averaged from 16,500 to 24,700 tons as against 29,300 tons in 1940. Comparable production figures for 1939 are not shown.

Average weekly consumption of newsprint, which was 23,100 tons in 1939, ranged between 4,700 and 6,100 tons from 1940 until late in 1945, the higher figure being reached only in the summer and fall of 1945. Consumption of other paper and board declined sharply from 74,600 tons in 1939 to 38,600 tons in 1940 and 27,200 tons in 1941, after which it varied between 26,100 and 19,300 tons until June, 1945, when it rose briefly to 28,000 tons, a figure repeated in November.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Export Permit Branch Order No. 140, effective March 20, 1946, export permit control is reimposed on shipments of glycerine and penicillin (except biological products and all chemicals not enumerated elsewhere), included in

Group 8 (Chemical and Allied Products), when consigned to any destination.

By Export Permit Branch Order No. 139, effective March 18, 1946, Clause 31(a) Sub-section 2 of the Export Permit Regulations is amended by the inclusion therein of the various Boards

of the Department of Agriculture, so that the exemption from the requirement of an Export Permit will apply to goods ordered, diverted or exported by the various Boards of the Department of Agriculture.

St. Vincent

LICENCES REQUIRED FOR TRAVELLING AGENTS

A St. Vincent By-law, confirmed January 12, 1946, provides that persons desiring to carry on business as travelling agents in the Colony shall make application to the Kingstown Board for a licence, for which a fee of £5 per annum shall be paid.

"Travelling Agent" shall mean any person not residing in the Colony who pays periodical visits thereto for the purpose of soliciting orders for goods to be imported into the Colony.

Union of South Africa

MERCHANDISE MARKS ACT AMENDED

A Union of South Africa Government Notice, gazetted March 1, 1946, withdraws a Government Notice of September 19, 1941, suspending the operation of sections 8 and 9 of the Merchandise Marks Act 1941, with effect six months from date of publication of the notice.

The text of the two sections in question, which become operative on September 1, 1946, follows:—

8. (1) Any person who sells or, for the purpose of advertising goods, distributes in the Union any goods which were not made or produced in the Union and to which there is applied any name or mark being or purporting to be the name or mark of any manufacturer, producer or trader in the Union or the name of any place or district in the Union, shall be guilty of an offence, unless there is added to that name or mark, in a conspicuous manner, the name of the country in which the goods were made or produced, with a statement that they were made or produced there.

(2) This section shall not have effect in respect of the application of a name or trade mark to articles used or to be used for any of the following purposes, that is to say, as coverings, labels, reels, or other-

wise as articles in or with which goods manufactured or produced in the Union are or are to be sold, if the name or mark so applied is the name or trade mark of a manufacturer, producer of or trader in those goods in the Union, and the name or trade mark was applied with his consent.

9. Any person who sells or, for the purpose of advertising goods, distributes in the Union any goods which were not made or produced in the Union and to which there is applied any trade mark, mark or trade description in the English or Afrikaans language, shall be guilty of an offence, unless there is added to that mark or description, in a conspicuous manner, the name of the country in which the goods were made or produced, with a statement that they were made or produced there.

With the coming into force of these sections, all goods imported into the Union of South Africa, excepting goods to which no trade mark or trade description has been applied, must bear a specific statement that they were made or produced in the particular country concerned.

United States

IMPORT RESTRICTIONS REVISED

Mr. W. D. Wallace, Assistant Commercial Secretary, Canadian Embassy in Washington, reports that the Civilian Production Administration recently revised General Import Order M-63, controlling importation of certain strategic materials into the United States for domestic consumption or for transshipment to Canada, Mexico, or any other foreign country. The revision does not affect food products, which are controlled by the Agricultural Products Administration under War Food Order 63.

The amended order reduces to less than twenty classifications the list of commodities which require special application to the Civilian Production Administration before they can be imported into the United States. The list now includes the following commodities:—

Agave fibres, unmanufactured, not elsewhere specified on this order (except flume tow and bagasse waste).

Hides and skins: buffalo hides (dry and wet), buffalo hides (India water-buffalo, for use in rawhide articles) dry and wet; calf

(dry and wet); cattle hides (dry and wet); goat and kid skins (dry and wet); kip (dry and wet).

Sheep and lambskins: pickled skins (not split, no wool); pickled fleshers (split, flesh side); pickled skivers (split, grain side).

Lead: bullion or base bullion; pigs and bars; reclaimed scrap (dross and lead n.s.p.f. except antimonial); rabbit metal and solder; alloys and combinations of lead n.s.p.f. in chief value of lead; alloys and combinations of lead n.s.p.f. not in chief value of lead; type metal and antimonial lead.

Leather, unmanufactured: goatskin and kidskin leather (except vegetable-tanned); leather made from hides or skins of cattle of the bovine species; rough tanned leather (including India-tanned); vegetable-tanned goat and sheepskins.

Maguay or cantala, unmanufactured.

Manila or abaca cordage, including cables, tarred or untarred, composed of 3 or more strands, each strand composed of 2 or more yarns.

Manila or abaca fibre (except T-grade tow).

Manila or abaca tow (T-grade only).

Manila or abaca fibre manufactures (including all Manila or abaca products).

Molasses and sugar syrup.

Rotenone bearing roots (cube root, timbo or barbasco) derris and tuba, crude and advanced.

Sisal and henequen, unmanufactured (except flume tow and bagasse waste).

Tin: alloys, chief value tin, n.s.p.l. (including alloy scrap); bars, blocks, pigs, grain or granulated.

Paper, standard newsprint, except when imported from Canada, Mexico, Guatemala or El Salvador.

China

IMPORT CONTROL REGULATIONS

Temporary Foreign Trade Regulations issued by the National Government, effective March 1, 1946, establish three classifications of imports: unrestricted, licensed, and prohibited.

Included in the list of prohibited goods are: all products made wholly of lace trimmings and embroidered goods; woollen carpets and floor coverings; silk wearing apparel and piece-goods; automobiles valued at over \$1,200 United States; curios and antiques; manicure sets, powder and vanity cases; perfumery and cosmetics; toys and games; umbrellas.

Articles requiring import licences include passenger automobiles, other than those on the prohibited list; sugar; leaf tobacco; kerosene oil; and developed cinematographic films.

All articles other than those prohibited or included in the list of licensed goods may be imported without restriction, but watches, alcoholic beverages, table waters, cigarettes, cigars, manufactured tobacco, jewellery and ornaments, real or imitation pearls and precious stones are subject to a luxury tax of 50 per cent of the existing tariff rates.

A Temporary Import Program Committee, under the Supreme Economic Council, will determine a co-ordinated import program based on China's capacity to make the expenditure involved both in foreign exchange and in Chinese National currency, the degree of urgency and China's ability to use the proposed imports and China's balance of international payments. Other functions of the Committee are: to determine the principal commodities to be imported during the period of rehabilitation; to compile a list of quantities, values and time of arrival of commodities ordered and in course of procurement; to determine the best source of supply and, if possible, utilize enemy reparations or surplus supplies under UNRRA; to direct the marketing and distribution of commodities imported or to be imported. The Committee will also co-ordinate the requirements of various organizations to avoid duplication and unnecessary expenditures.

The new regulations prohibit the export of a number of commodities unless permission is granted by the Government. Included in the list of prohibited exports are: metallic ores and smelted metals of wolfram, antimony, tin, and quicksilver; silver and gold bullion; coins; antiques; live wild animals and birds; bird skins; rice; wheat and flour; cotton yarn and cloth, and salt.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Commercial Counsellor, Canadian Embassy, Washington, D.C., from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 2, 1946:—

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to March 2, 1946	
			1930 Tariff Act	Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c per gal.	1,703	....
Cream	Gal.	1,500,000 per calendar year	56½ to 28¼oc. per gal.	399	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1½c. per lb.	7,121,792†	47.4
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1945	75 to 37½c. per 100 lb.	1,333,942	88.9
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1945	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	3,343	0.3
Red cedar shingles.....	Sq.	\$		247,755	....
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1945	50 to 35% ad val.	17,260†	17.2
Tails	Piece	5,000 beginning Dec. 1, 1945	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† For the period December 1, 1945, to March 2, 1946, imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 1,735.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

§ The quota for 1946 has not yet been determined.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

17. *Bolivia*—E. F. Fellgner, Casilla 292, La Paz, Bolivia, has expressed interest in securing representation in the Bolivian market on behalf of Canadian firms, for the following commodities: chalk, baryte sulphate, kaolin, heavy lime carbonate, English iron oxide, malaga iron oxide, zinc oxide, sublimate or ventilated sulphur, solid paraffin,

liquid paraffin, mineral oil, pine tar, stearine, magnesium carbonate extra light, fine white, lithopone, industrial soap, paraffin (semi-refined), stearine of 2 to 3 grades, sulphuric acid of 186° and 192°, tartaric acid, cream of tartar, copper sulphate, muriatic acid, acetic acid, hydrochloric acid, iron sulphate, caustic soda, soda ash light 56 per cent, ultramarine blue (for marking packages), sulphuric acid 66°, stearic acid USP (in paste), tannic acid USP fluffy, bismuth subcarbonate USP, bismuth subgallate, bismuth subnitrate, camphor USP (packed in ½-ounce tablets), terpin hydrate USP powder, theobromine alkaleid, white precip. USP, ammonium phosphate, naphthalin balls, nitric acid, chloritic acid, liquid ammonium, cod liver oil, castor oil, sulphate of soda, Epsom salts, citric acid (the most concentrated), peroxide,

acetic acid (99 per cent glacial), sulphate of copper, formaldehyde talc, muriatic acid, naphthal in balls (in barrels), borax USP, bicarbonate of soda, camphor (tablets), boracic acid, benzoate of soda, phenol, formicolanolina acid, oxalic acid, liquid vaseline, glycerine, citrate of soda USP VIII granular, calomel USP, benzonaphthol, urutropina, guaiacol crystal, diuretine, exalgina, strontium lactate, glycerophosphate of calcium N. F., guaiacol liquid N. F., phenacetin, sodium salicylate USP powder, potassium bromine granular USP, yodo "resublimado", silicate of methyl, calcium chloride, resoreina, atophan, luminal, strontium bromide N.F., tiocol N. F., pectoral flowers, salofena, glucose anhydrous C. P., sublimate sulphur, ether USP, piramidon USP powder. File: C.E. 189.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Mar. 18	Nominal Quotations Mar. 25
Argentina ..	Peso	Off. .3282	.3282
		Free .2685	.2696
Australia ..	Pound	3.5520	3.5520
Belgium and Belgian Empire ..	Franc	.0251	.0251
Bolivia ..	Boliviano	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	.9250	.9250
Brazil ..	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile ..	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia ..	Peso	.6282	.6282
Cuba ..	Peso	1.1025	1.1025
Czechoslovakia ..	Koruna	.0220	.0220
Denmark ..	Krone	.2296	.2296
Ecuador ..	Sucre	.0816	.0816
Egypt ..	Pound	4.5538	4.5538
Eire ..	Pound	4.4400	4.4400
Fiji ..	Pound	4.0090	4.0090
Finland ..	Markka	.0081	.0081
France and North Africa ..	Franc	.0092	.0092
French Empire—African ..	Franc	.0157	.0157
French Pacific possessions ..	Franc	.0222	.0222
Haiti ..	Gourde	.2205	.2205
Hongkong ..	Dollar	.2775	.2775
Iceland ..	Krona	.1702	.1702
India ..	Rupee	.3330	.3330
Iraq ..	Dinar	4.4400	4.4400
Jamaica ..	Pound	4.4400	4.4400
Mexico ..	Peso	.2268	.2268
Netherlands ..	Florin	.4153	.4153
Netherlands West Indies ..	Florin	.5842	.5842
New Zealand ..	Pound	3.5698	3.5698
Norway ..	Krone	.2220	.2220
Palestine ..	Pound	4.4400	4.4400
Peru ..	Sol	.1709	.1709
Philippines ..	Peso	.5512	.5512
Portugal ..	Escudo	.0444	.0444
Spain ..	Peseta	.1009	.1009
Straits Settlements ..	Dollar	.5180	.5180
Sweden ..	Krona	.2627	.2627
Switzerland ..	Franc	.2563	.2563
Turkey ..	Piastre	.0085	.0085
Union of South Africa ..	Pound	4.4400	4.4400
United Kingdom ..	Pound	4.4400	4.4400
United States ..	Dollar	1.1025	1.1025
Uruguay ..	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
		.... .3261	.3261
Venezuela ..	Bolivar		

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478. Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrôpole, 7th Floor, Av. Presidente Wilson 165

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana: Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. I. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfracom.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

POSTWAR INDUSTRIAL CONDITIONS IN SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

MERCHANT SHIPBUILDING

The year 1945 was one of great activity in the heavy industries in Scotland. There was an extensive change-over in shipbuilding and marine engineering from the building of warships to merchant vessels, and it is reported that contracts in the hands of Scottish shipyards at present represent two or three years' work, the majority being for high-class passenger ships and those for special trades. There is an acute shortage of the two latter classes as, apart from heavy war casualties, the majority of the new merchant vessels built during the war years were of standardized types.

The output of merchant ship tonnage in 1945, from shipyards in the Clyde area, comprised 54 vessels totalling about 250,000 tons. This is, of course, apart from the output of warships and is an arresting figure when it is considered that three of the largest firms on the river were building warships exclusively, and a number of others were building both warships and merchant vessels, the latter mostly after the termination of the war. On the East Coast of Scotland, shipbuilding firms launched during the year 25 merchant vessels of about 65,000 tons gross.

The flow of orders for new merchant-ship tonnage at the close of the year would probably have been greater had it not been for two factors—the high cost of construction and the prevailing uncertainty about the future of world trade. Nevertheless at the beginning of 1946 Scottish shipbuilders had under construction 155 vessels of over 605,000 tons gross, of which 115 of 523,000 tons are under construction in Clyde yards and the re-

mainder at East Coast ports—Dundee, Aberdeen, Leith, Burntisland, and Grangemouth. These figures, of course, relate only to ships under construction and do not include those for which orders have been placed but whose keels have not yet been laid. The number of such orders is unknown. The marine engineering establishments are correspondingly busy.

IRON AND STEEL

The Scottish manufacturers of iron and steel during 1945 have been working at full pressure, and during the last half of the year were inundated with new orders from all parts of the world as well as from the home market. Towards the close of the year the demand on the local shipyards increased, and this demand for shipbuilding purposes will undoubtedly increase as more labour becomes available.

The re-rolling industry has also been overwhelmed with orders and inquiries. Inadequate supplies of semi-manufactured steel for this purpose seem, however, to be causing some concern. Before the war the Continent was a useful secondary source of supply, but the crippled state of the European steel industry does not permit of imports being obtained.

High or maximum production of steel may be handicapped by a shortage of scrap and inadequate supplies of coal, in fact the present coal supply position in Great Britain is causing some apprehension. Makers of steel sheets are busy and some of them cannot guarantee delivery before the second half of 1946. The demand from many countries, even Canada, is heavy.

ENGINEERING

Many contracts have been recently secured by West-of-Scotland firms manufacturing power plants. While many of these contracts are from abroad, a considerable number are for the home market, and include not only new plants but repairs needed as a result of deterioration after six years of war. The manufacturers of locomotives are also busy, both on home and export account. Marine engineers and manufacturers of special machinery for sugar plants and the like are extremely busy. It is reported that an interesting feature in marine engineering is an apparent tendency to revert to coal, in place of oil, for steam production, despite the scarcity and currently high price of coal at present. The structural steel industry is expected to be extremely active before long, when more labour is released from the Forces, on the immense programs of reconstruction both at home and abroad.

COAL

The inadequate production in this vital industry still causes grave concern in this country, although it is reported that in Scotland production is tending upwards. Avoidable absenteeism still persists, and this, together with the reduced labour force following the war and natural wastage as older men drop out, has reduced production to the danger level. However, the mild winter has eased the position, and it is reported by the Minister of Fuel and Power that recruitment to the industry during recent weeks has been above wastage. The serious decline in the coal export trade also causes much concern in the chief exporting areas in Britain. Many inquiries have been received from pre-war overseas markets to which regular shipments were formerly made, and there is a possibility that these markets may be lost to other coal-producing countries where the wartime manpower problem has been less pressing.

TIMBER TRADE

During the last three months of 1945 considerable quantities of timber have arrived from Canada, Sweden and Finland, but the demands are heavy from the shipbuilders, the packing-case makers and furniture manufacturers. It is reported that, as long as the present monetary position obtains, the Government will continue to be the only buyer from exporting countries, but timber will be sold to importers and merchants on a quota basis instead of going into national stock. Licensing for consumption will apparently continue so long as the demand, as at present, so greatly exceeds the supply.

JUTE MANUFACTURE

While it is hoped that there will be some change for the better in the near future, the main problem confronting the jute manufacturers is the shortage of labour, which has shown little or no improvement since the end of the war. In the spinning section of the trade in particular the shortage of operatives is acute. The present demand for all classes of jute material is on an extensive scale, and it will be a long time before it can be met.

Raw material appears to be in adequate supply. Government control still continues, but producers can readily obtain the permitted maximum prices, which apparently ensure adequate profits. A considerable amount of machinery is on order for the jute mills, but delivery is slow.

The concentration of the British jute industry in and around Dundee is an interesting development. Upwards of seventy factories in the Dundee area are engaged in this industry, employing about 40 per cent of the working population of that city of less than 200,000 people. The raw material comes from India. The variety of the cloths made is probably little appreciated outside the industry itself.

PAPER TRADE

Paper-making, which is one of Scotland's chief industries, is centred mainly in West Lothian (Edinburgh and district), Aberdeenshire, Fife, and the Glasgow district. In normal times about 75 per cent of the finer papers (made from esparto grass) produced in Great Britain comes from Scotland. It is stated that more fine paper is made within twenty miles of Edinburgh than in any other district in Great Britain.

During the last quarter of the year 1945 there was some increase in supplies of raw material, principally wood-pulp from Scandinavia and Finland and, as a result, there has been some increase in the amount of paper available to consumers. But here again, apart from raw material, the main difficulty of the mills is the lack of skilled labour. As more men are released from the Forces or other essential wartime services the mills will be able to operate additional machines. The outlook for increased supplies is more favourable than for some years, but in the meantime the mills cannot nearly meet the demand. It will be recalled that this country has during the war years experienced a great scarcity of all classes of paper, due to the shortage of raw materials and of labour in the paper mills. Perhaps the most striking evidence is the size of the daily newspapers, which since the early days of the war have been usually a double sheet of four pages, sometimes expanded to six or eight.

LINEN INDUSTRY

Dunfermline is not the centre of the Scottish linen industry but of the fine linen industry. There are more linen works in Kirkcaldy than in Dunfermline, and there are others in Dundee and elsewhere. The Kirkcaldy firms make such linen cloths as sheetings, towellings, ducks and canvases. It is reported that conditions in the linen trade in general are becoming more normal, now that the Government no longer requires the full output and a

certain percentage is allowed to be exported, although the export quota is only small. Both spinners and weavers in the trade are busy and, like most other industries, the manufacture of linen is handicapped by a shortage of labour. The short supply of flax is also a factor contributing to reduced production, at least of the finer grades, and it is these fine grades that are most required for the export trade. Flax from the Soviet Union was largely used by the industry before the war, but apparently there is little of this to be had at present and only at high prices.

BORDER WOOLLEN TRADE

It is impossible, under current conditions for Scottish manufacturers to fill even a small percentage of the requirements of their pre-war customers, since the woollen industry is operating at approximately 50 per cent of pre-war capacity, and 80 per cent of production has to be diverted to utility (government price-controlled) types for the home market. This leaves only 10 per cent of pre-war production to take care of the non-utility demand in the home market plus export.

CARPET MANUFACTURING

Probably the most prosperous branch of the Scottish textile industry between the two wars was carpet-making, as a result of the extensive program of house construction during that period and of the general improvement in taste and spending power of the purchasing public. It is authoritatively stated that about one-third of the carpets made in Great Britain come from Scotland, the largest British carpet-making firm being in Glasgow. During the war years this firm, and no doubt the others, would have had to close down had it not switched from its normal production to the making of webbing equipment and numerous other articles for war purposes, principally because of the lack of raw materials, especially jute.

In view of the enormous program of house construction now slowly get-

ting under way in Great Britain—half a million houses are needed in Scotland alone—the carpet factories will be hard pressed for at least ten years to meet the demand. They are now attempting to switch back to their normal function, but are finding considerable difficulty in obtaining the labour necessary to manufacture even the limited quantity which the available raw material permits.

WHISKY DISTILLING

Distillers have been actively engaged making their allotted quotas of new whisky, and recently the Minister of Food stated that he was prepared to release a similar quantity of barley for malting and distilling as was permitted last spring. Vessels on regular sailings to American and Canadian ports carry substantial consignments of the popular brands, but shipping facilities for other export markets are not so frequent. As for years past, the home market is extremely short of supplies, and retail prices are more than double pre-war quotations.

OTHER INDUSTRIES

Other important industries in Scotland, apart from agriculture (the most important of all) and fishing, are the manufacture of cotton, knitwear, lace (there are approximately fifty lace-

making factories in Ayrshire), fancy woollen materials, linoleum (mainly concentrated in Kirkcaldy), industrial alcohol, aluminium, biscuits, fire-bricks, rubber goods, sporting goods, granite products, chemicals, beer, cotton and linen thread, sanitaryware and pottery, leather and leather goods, machinery of all kinds, rope and twine, tobacco, wire and wire rope, iron and steel tubes, etc.

SUMMARY

From the foregoing brief review of some of Scotland's industries it will be noted that they, like British industries in general, are still handicapped on the whole by a shortage of skilled labour and raw materials or both. There is therefore now available a mere fraction of pre-war quantities of consumer goods for the export trade and little for the home market. This is understandable when it is remembered that the production facilities of the United Kingdom were engaged to a greater extent in the output of war essentials and had to sacrifice more labour to the Forces than any of the Allied countries, and a longer time will be needed for British industry to get into its peacetime stride. Improvement is gradually proceeding, but in the meantime Canadian firms seeking agencies for British goods will realize that full-scale production is still a long way off.

BUSINESS CONDITIONS IN NORTHERN RHODESIA AND SOUTH-WEST AFRICA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Northern Rhodesia

General business conditions continue steady in Northern Rhodesia and stocks are reasonably good. Corn crop reports indicate that, although some planting was possible during December, seasonal rains set in later, and some replanting was necessary. The total corn deliveries for the previous season amounted to 468,000 bags (about 1,560,000 bushels), the best crop for several years. Wheat deliveries for the previous season amounted to 18,940 bags (about 63,000 bushels).

The past season's Turkish-tobacco crop yielded approximately 420,000 pounds, but it is estimated that the yield for the coming season may be as high as one million pounds. Live stock is in good condition, and slaughter stock is in good demand at controlled prices.

COPPER MINING

The economy of Northern Rhodesia hinges almost entirely on the copper-mining industry of the north. It has not been possible accurately to estimate the position of this industry during

the war years, because no production figures were made public. At the beginning of the war, copper production, according to the "quota" agreement, was being maintained at 95 per cent of the basic quota. With the outbreak of war, restrictions were lifted. At the end of 1940, however, the general deterioration of plant had become so serious that it was necessary to reduce production for some time in order to proceed with maintenance and repair work. By the middle of 1944 the needs of the Allies were not as great as during the earlier years of the war and production was at a somewhat lower rate, although the output was only slightly less.

The future of the industry is still not clear, but it is fairly obvious that the need for copper in the next year or so will be heavy. At present it is apparent that, until United Kingdom policy is clarified, that market is almost virtually closed to copper producers. British Ministry of Supply contracts terminated on January 1, 1945, at which time accumulated copper supplies were estimated to be sufficient to last for a considerable period. The end of the war, some months later, eased the needs of war industries for copper and thus further obscured the position for the producers. Some of the European users came into the market in the latter part of 1945, and their purchases have helped to stabilize demand, although it must be some time before their consumption will equal pre-war requirements. It has been estimated that, despite the

large quantity of copper available to the United States, industry in that country may be expected to import fair quantities for some years. It is not yet clear whether these imports will include supplies from Northern Rhodesia and the Congo, or whether New World sources will be adequate.

Recent reports from the copper belt indicate that production has dropped, and even ceased temporarily, owing to lack of coal, resulting from inadequate transportation. The shortfall amounted to some hundreds of tons per day and, coupled with the drain on reserves during the strike of native railway workers, made it almost impossible for the mines to continue production until after supplies had been accumulated.

South-West Africa

General business conditions in South-West Africa are good and even expanding. Christmas trade at the end of 1945 reached satisfactory proportions. The karakul market is seasonally quiet, but overseas market reports indicate that demand and prices remain keen. It is reported that in November 92,429 pelts were offered and sold at the New York auction at the record average price of 41s. per pelt, while during December 105,085 pelts were offered and sold at a new record average price of 41s. 4d. per pelt, with a top price of 103s. Karakul stock losses during the drought have been heavy and, also owing to drought, there has been some indiscriminate slaughtering of lambs, with a consequent strong demand for ewes.

AIR PASSAGES TO THE UNITED KINGDOM

The Shipping Priorities Committee announce that, beginning April 1, Trans-Canada Airways will have four flights a week each way to and from the United Kingdom. Eastbound flights will leave Dorval Airport, Montreal, on Monday, Wednesday, Friday and Saturday for Prestwick, Scotland, and westbound flights will leave Prestwick for Dorval on Sunday, Monday, Wednesday and Friday.

As from April 1 also, Canadian businessmen will be able to arrange for a

round trip to and from the United Kingdom through any T.C.A. office in Canada. In this way those taking advantage of this service will be able to make definite plans and be assured of returning to Canada on, or very close to, the date desired.

The fare for the eastbound trip is \$375 plus Canadian travel tax of 15 per cent; westbound the fare is £85 with no tax.

NEW UNRRA HERRING CONTRACT WITH NEWFOUNDLAND

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

The Newfoundland Fisheries Board announced on March 23 that Newfoundland has been requested by UNRRA to provide a further 25,000,000 pounds of hard-cured split herring, or approximately 110,000 barrels of 225 pounds each. This quantity is additional to the 45,000,000 pounds (200,000 barrels) previously contracted for in August, 1945, making a total of 310,000 barrels to be supplied for UNRRA in the 1945-46 season. The terms of the contract call for a price of six cents per pound (United States funds), a decrease of one cent per pound from the original UNRRA contract price. The Newfoundland Fisheries Board has announced that other supplying countries have concluded arrangements with UNRRA to supply substantial quantities of hard-cured split herring, in some cases at lower prices than those called for by the Newfoundland contracts. The price to packers for the new contract is \$13.50 per barrel. Both the Board and the packers have expressed their intention of achieving maximum production in an effort to assist to the fullest possible extent in relieving the short world food supply position.

QUOTAS TO BE ESTABLISHED

The herring contract concluded in August, 1945, calls for 200,000 barrels to be packed by June, 1946. The Newfoundland Fisheries Board have already established quotas to packers to cover the original contract. A num-

ber of applications for quotas were received after the dead-line had been set. It is intended to issue new quotas to cover the latest contract, and herring packers who did not receive quotas for the original contract now have an opportunity to renew their applications.

HERRING PRODUCTION EXPANDING

The herring fishery in Newfoundland has expanded rapidly during the past two years by comparison with previous years. In the fiscal year 1942-43, dressed herring exports were valued at \$184,040, Scotch-cure herring exports amounted to \$265,119, and split herring exports totalled \$45,206. There were substantial increases over the next two years, and in the fiscal year 1944-45 pickled split herring exports were valued at \$314,325, those of pickled dressed herring at \$629,551, and of Scotch-cure herring at \$462,600. Total herring production in Newfoundland in 1944 was 106,497 barrels (of 225 pounds), whereas production in 1945 increased to 218,979 barrels, an increase of more than 100 per cent. It is likely that the value of herring exports in 1946 will exceed \$4,000,000. The contracts negotiated with UNRRA in 1945 and 1946, together with those previously arranged with FEA, have provided a great stimulus to the herring fishery, and it is now second only to cod in the annual value of the catch. It is confidently expected that the quantities called for under both contracts will be forthcoming.

TRADE COMMISSIONERS ON TOUR OF CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Attaché at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape

Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia).

Their itineraries as presently arranged are as follows:—

Mr. Allen

Hamilton and district—Apr. 8 and 9.
Kitchener—Apr. 10.
Sherbrooke—Apr. 12.
Granby—Apr. 15.
Drummondville—Apr. 16.
Montreal—Apr. 17 to 24.

Mr. Mutter

Kitchener and district—Apr. 8.
Guelph—Apr. 9.
Vancouver and Victoria—Apr. 15 to 20.
Edmonton—Apr. 22.
Hamilton—Apr. 25.
Ottawa—May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Montreal with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

CANADA'S EXTERNAL TRADE IN FEBRUARY

The external trade of Canada, excluding gold, was valued at \$271,731,000 in February as compared with \$352,736,000 in the corresponding month of last year, a decrease of 33 per cent, according to figures released by the Dominion Bureau of Statistics. The decline in total trade was due to the sharp curtailment in the export movement of war supplies. For the first two months of the current year, external trade aggregated \$603,384,000 as compared with \$716,282,000 in the similar period of 1945.

Exports

The merchandise export trade of Canada in February was valued at \$153,143,000 as compared with \$236,364,000 in February, 1945, a decline of 35 per cent. The figures reflect the continued reduction in the export of war supplies. In February last year the export of war materials amounted to \$120,850,000, whereas in February this year exports in this category accounted for only \$134,000. Exports of non-war commodities advanced from \$115,514,000 in February, 1945, to \$153,009,000, or by 33 per cent.

Imports

An advance was recorded in the value of merchandise imported in February, the total standing at \$116,996,000 as compared with \$112,373,000

in February, 1945, while the total for the first two months of the year rose to \$257,306,000 from \$242,058,000 a year ago. Commodity imports from the United States, the leading source of supply, were valued at \$86,046,000 in February as compared with \$92,805,000 in February, 1945, while imports from the United Kingdom increased to \$12,994,000 as compared with \$6,741,000.

Commodity imports from Mexico in February were valued at \$1,724,000 as compared with \$1,065,000 in the corresponding month of last year; Australia, \$1,272,000, as compared with \$467,000; Venezuela, \$1,207,000 (\$1,086,000); Jamaica, \$1,135,000 (\$211,000); Honduras, \$982,000 (\$382,000); New Zealand, \$909,000 (\$81,000); Brazil, \$876,000 (\$295,000); British South Africa, \$814,000 (\$594,000); British India, \$745,000 (\$1,363,000); Newfoundland, \$649,000 (\$359,000); and Colombia, \$671,000 (\$539,000).

Six of the nine main commodity groups of imports recorded advances in February, while the remaining three registered declines. Imports of agricultural and vegetable products rose from \$14,816,000 to \$18,113,000; animals and animal products from \$3,251,000 to \$6,539,000; fibres, textiles and textile products from \$13,201,000 to \$15,518,000; non-metallic minerals from \$15,703,000 to \$19,674,000;

chemicals and allied products from \$5,339,000 to \$6,665,000; and wood, wood products and paper from \$3,165,000 to \$4,884,000. Imports in the iron and products group fell from \$27,923,000 to \$24,721,000; non-ferrous metals from \$7,094,000 to \$6,300,000; and miscellaneous commodities from \$21,880,000 to \$14,583,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of January, 1945 and 1946, and for the two months, January and February, 1945 and 1946:—

Imports by Principal Countries

	Month of February		Two Months ended	
	1945	1946	1945	1946
All countries	\$ 112,373,188	\$ 116,996,458	\$ 242,057,993	\$ 257,305,663
British Empire	13,621,816	20,374,403	35,051,071	50,122,331
United Kingdom	6,740,795	12,994,141	16,133,393	33,061,760
Ireland (Eire)	2,979	3,871	2,979	3,871
British East Africa	29,268	1,367	220,020	16,636
British South Africa	594,290	813,537	954,539	1,866,011
Southern Rhodesia	98,521	9,169	104,124	16,030
British West Africa	1,290,082	880,889	1,940,685	1,009,293
Bermuda	1,213	2,391	3,745	5,044
British India	1,362,624	745,074	7,416,276	5,084,508
Ceylon	4,078	41,448	1,467,927	475,045
British Guiana	569,027	448,333	1,033,358	477,169
British Honduras	44,577	148,045	81,454	213,734
Barbados	684,929	26,867	814,681	130,774
Jamaica	211,311	1,134,790	957,106	2,140,898
Trinidad and Tobago	316,720	135,139	469,345	208,035
Other British West Indies....	96,351	66,612	291,281	163,372
Hong Kong .....	....	12,186	....	12,186
Malta .....	....	15,936	....	22,783
Newfoundland	359,453	648,599	792,059	981,762
Australia	466,744	1,272,166	968,719	1,985,914
Fiji	637,501	....	637,761	638,124
New Zealand	80,993	908,532	676,299	1,491,133
Palestine	24,932	60,630	79,077	113,568
Foreign countries	98,751,372	96,622,055	207,006,922	207,183,332
Afghanistan	10,709	308,690	16,584	649,406
Argentina	446,663	390,832	1,172,645	933,216
Belgium .....	....	240,759	74	354,002
Belgian Congo .....	....	17,967	....	61,600
Bolivia .....	....	....	5,385	....
Brazil	294,508	876,319	545,719	2,287,930
Chile	36,053	35,847	80,840	81,802
China .....	....	239,557	....	257,475
Colombia	538,963	670,910	1,380,542	1,868,496
Costa Rica	33,359	28,378	58,318	72,409
Cuba	641,959	436,497	1,064,162	1,647,156
Ecuador	137,480	6,596	307,815	14,409
Egypt	57,591	19,540	82,681	52,781
France	429	55,752	1,226	144,080
French Africa	164	38,766	164	110,785
Madagascar	1,869	10,983	21,425	23,735
Guatemala	94,624	43,456	122,849	150,401
Haiti (Republic of)	48,186	75,059	64,090	231,492
Honduras	382,364	981,864	790,390	1,691,417
Iraq .....	....	....	434,842	814,983
Mexico	1,065,015	1,723,874	1,797,050	3,139,316
Morocco	28,861	2,796	51,951	5,906
Netherlands	6,046	52,272	8,758	62,974
Norway	67,309	2,781	67,309	16,319
Paraguay	12,105	5,782	21,627	5,782
Persia .....	....	47,833	13,053	91,471
Peru	7,495	165,897	12,258	167,664
Portugal	65,184	260,077	154,051	367,720
Azores and Madeira	2,488	24,921	5,667	30,741
Portuguese Africa	16,340	131,683	22,625	212,549
Russia (U.S.S.R.)	141,471	432,419	178,642	688,080
Salvador	72	66,450	88,817	100,145
San Domingo	280,465	429,484	814,960	1,307,819

	Month of February		Two Months ended	
	1945	1946	1945	1946
Spain	163,346	460,840	420,564	994,344
Sweden .....	.....	451,433	.....	710,367
Switzerland	99,801	504,342	306,016	1,342,537
Syria	1,639	1,628	4,866	3,724
Turkey .....	.....	53,042	.....	125,832
United States	92,804,749	86,046,285	194,620,508	183,450,558
Hawaii .....	.....	29,064	.....	30,323
Puerto Rico	139	13,280	9,579	16,572
Uruguay	1,500	453	16,341	7,432
Venezuela	1,086,014	1,206,870	2,045,753	2,801,390

Imports by Principal Commodities

	Month of February		Two months ended February	
	1945	1946	1945	1946
	Thousands of Dollars			
Total imports	112,373	11,996	242,058	257,306
Agricultural and vegetable products	14,816	18,113	34,017	43,147
Fruits	3,831	5,673	8,629	12,376
Fruits, fresh	3,274	4,385	7,086	8,609
Fruits, dried	403	612	1,099	2,713
Fruits, canned	148	181	262	410
Fruit juices and fruit syrups	6	495	182	643
Nuts	771	1,915	1,500	3,472
Vegetables	1,392	2,539	2,866	5,056
Vegetables, fresh	1,370	2,512	2,798	4,909
Vegetables, dried	7	18	16	129
Vegetables, canned	5	2	24	3
Pickles, sauces and catsups	10	6	27	15
Grains and products	794	832	1,379	2,048
Rice	177	119	398	351
Oils, vegetable, edible	9	69	35	565
Sugar and products	3,060	1,714	5,046	5,017
Sugar	3,006	1,409	4,953	4,065
Cocoa and chocolate	737	330	827	391
Coffee and chicory	73	598	313	2,615
Spices	47	81	90	153
Tea	689	.....	5,000	2,717
Vegetable products, other, mainly food	38	218	167	599
Beverages, alcoholic	433	915	1,129	2,056
Beverages, distilled	375	687	976	1,686
Wines	54	226	142	368
Gums and resins	506	463	959	831
Oil cake and oil cake meal	12	35	29	65
Oils, vegetable, not edible	667	852	1,641	1,677
Plants, shrubs, trees and vines	54	100	88	161
Rubber	965	929	2,726	1,694
Rubber, crude	413	157	1,454	229
Seeds	284	209	634	485
Tobacco	192	314	363	510
Vegetable products, other, not food	264	327	598	658
Animals and animal products	3,251	6,539	7,092	12,054
Animals, living	56	150	169	279
Bone, ivory and shell products	53	43	114	93
Feathers and quills	8	16	24	32
Fish and fishery products, n.o.p.	193	259	340	500
Fish, fresh and frozen	156	212	253	376
Fish, dried, salted, pickled, smoked	17	14	40	61
Furs	1,942	3,689	4,015	7,323
Undressed furs	1,473	2,980	3,132	5,973
Hair and bristles	29	125	61	208
Hides and skins, raw	144	277	654	376
Leather, unmanufactured	193	285	419	592
Leather, manufactured	195	319	461	654
Meats	20	108	159	187
Milk and products	8	35	51	97
Animal oils, fats, greases and wax	152	930	232	1,049
Animal products, other	258	305	394	664
Fibres, textiles and textile products	13,201	15,518	29,885	36,207
Cotton	6,970	7,741	14,425	17,166
Raw, and linters	3,011	3,414	6,342	7,772
Yarn	313	490	851	1,287
Fabrics	3,097	3,088	6,168	6,649

Imports by Principal Commodities—Con.

	Month of February		Two months ended February	
	1945	1946	1945	1946
	Thousands of		Dollars	
Fibre textiles and textile products—Con.				
Flax, hemp and jute	593	638	3,178	2,908
Yarn	87	55	315	197
Fabrics, flax and hemp	55	99	124	297
Fabrics, jute	202	266	2,280	1,910
Silk	160	258	306	502
Fabrics	158	255	302	494
Wool	2,287	3,490	5,655	8,535
Wool, raw	837	1,572	1,480	2,339
Noils and tops	154	258	434	1,299
Yarn	380	451	1,118	1,257
Worsted and serges	296	517	966	1,901
Fabrics, other	348	365	906	1,061
Artificial silk	1,495	1,179	3,087	2,692
Yarn, twist and thread	764	487	1,597	1,220
Fabrics	711	594	1,448	1,313
Fibres and products, other	489	872	1,022	1,643
Mixed textile products	1,208	1,340	2,213	2,761
Wood, wood products and paper	3,165	4,884	6,760	9,721
Wood, unmanufactured	338	513	776	1,069
Planks and boards	231	315	519	670
Wood, manufactured	537	691	1,193	1,390
Wood-pulp	97	105	199	216
Paper	915	1,411	1,899	2,769
Books and printed matter	1,375	2,270	2,891	4,493
Iron and its products	27,923	24,721	60,511	56,602
Iron ore	248	4	519	12
Ferro-alloys	46	8	129	41
Pigs, ingots, blooms, billets	159	13	315	41
Scrap iron	27	67	109	117
Castings and forgings	801	283	1,508	878
Rolling-mill products	3,670	1,292	7,203	5,755
Pipes, tubes and fittings	428	435	894	1,116
Wire	266	142	562	507
Chains	180	80	344	271
Engines and boilers	2,369	1,404	5,542	3,129
Farm implements and machinery	2,935	3,857	7,250	8,233
Hardware and cutlery	272	433	619	971
Machinery (except agricultural)	5,268	7,559	11,401	17,013
Springs	8	27	28	97
Stamped and coated products	135	235	256	409
Tools	614	688	1,260	1,474
Vehicles, chiefly of iron	7,973	5,065	16,994	10,329
Automobiles, freight	211	173	1,328	392
Automobile, passenger	190	425	332	857
Automobile parts	6,963	4,321	14,339	8,701
Iron products, other	2,524	3,127	5,576	6,190
Non-ferrous metals and their products.	7,094	6,300	15,101	14,859
Aluminium	362	373	647	833
Brass	302	376	638	816
Copper	71	130	127	291
Lead	27	11	58	23
Nickel	96	190	163	386
Precious metals, except gold	87	624	194	854
Tin	803	14	1,608	1,715
Zinc	59	148	112	282
Alloys, n.o.p.	61	69	131	161
Clocks and watches	172	444	430	1,132
Electrical apparatus	3,278	3,104	7,254	6,380
Radio and wireless apparatus	1,532	837	2,943	1,615
Gas apparatus	24	19	49	66
Printing materials	73	145	160	296
Non-ferrous metals, other	1,679	652	3,530	1,623
Non-metallic minerals and their products.	15,703	19,674	31,763	42,500
Asbestos	153	100	344	242
Clay and products	767	1,075	1,798	2,552
Coal and products	7,277	10,047	14,629	21,324
Coal	6,726	8,780	13,522	18,931
Coke	459	1,123	925	2,104
Glass and glassware	1,046	1,384	2,209	2,910
Graphite	30	25	64	65
Mica and products	17	22	44	37
Petroleum products	5,130	5,349	10,060	12,129
Stone and products	612	654	1,348	1,385
Non-metallic minerals, other	671	1,018	1,266	1,855

	Month of February		Two months ended February	
	1945	1946	1945	1946
	Thousands of Dollars			
Chemicals and allied products	5,339	6,665	11,486	13,994
Acids	253	302	486	509
Alcohols, industrial	5	21	27	151
Cellulose products	399	515	789	928
Drugs and medicines	501	675	1,360	1,532
Dyeing and tanning materials	614	612	1,070	1,401
Explosives	71	81	175	166
Fertilizers	245	365	463	851
Paints and varnishes	541	787	1,191	1,642
Perfumery, cosmetics, toilet preparations....	27	44	57	83
Soap	9	40	23	83
Inorganic chemicals, n.o.p.	651	766	1,426	1,724
Potash and compounds	60	64	116	105
Soda and compounds	259	315	573	704
Chemical products, other	2,023	2,455	4,418	4,925
Miscellaneous commodities	21,880	14,583	45,444	28,222
Amusement and sporting goods, n.o.p.	214	334	401	625
Brushes	14	32	33	89
Containers, n.o.p.	103	144	242	322
Household and personal equipment, n.o.p.	553	988	1,166	2,062
Refrigerators and parts	19	188	42	536
Musical instruments	53	116	104	232
Scientific and educational equipment	688	856	1,466	1,755
Ships and vessels	1,169	120	1,182	122
Vehicles, except iron	2,093	968	4,537	1,521
Aircraft (excluding engines)	2,065	931	4,472	1,429
Paintings and other works of art	57	226	124	442
Miscellaneous commodities, other	16,937	10,800	36,189	21,051
War materials (Order in Council)	13,254	36	27,385	167

**UNITED STATES CEILING PRICES FOR WESTERN
SOFTWOOD SHINGLES REVISED**

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian
Embassy in Washington*

The Office of Price Administration has announced Amendment No. 4, Revised Maximum Price Regulation 164, for Western softwood shingles, effective March 20, which provides for an increase of thirty cents per square in the maximum price. The following table shows the amended prices, f.o.b. car or f.o.b. truck mill, for standard shingles, machine-processed shakes, and hip and ridge units:—

The regulation has also been amended to add the following estimated weights for unstained machine-processed shakes: 5/2-16" per square of 12" exposure, 60 pounds; 5/2½-16" per square of 12" exposure, 65 pounds.

The increase of thirty cents per square is the minimum required by law and is necessitated by the increase of \$4 per thousand board feet in the

Revised United States Prices for Shingles

Length and Thickness		No. 1	No. 2	No. 3	Nos. 3 & 4 50% No. 3	No. 4
16" 5/2 (xxxxx)	Random	\$5.00	\$4.15	\$3.10	*\$2.65	*\$2.40
	5"	5.75	4.90	3.85	....	....
	6"	5.85	5.00	3.95	....	....
18" 5/2½ (Perfections)	Random	5.40	4.30	3.25	....	....
	5" or 6"	6.15	5.10	4.00	....	....
18" 5/2 (Eurekas)	Random	5.20	4.20	3.15	....	....
24" 4/2 (Royals)	Random	6.50	4.65	3.30	....	....

*Price applies only when No. 4 are graded in accordance with the rule adopted by the Red Cedar Shingle Bureau, published in bulletin dated December 20, 1944.

Following are prices for machine-processed shakes:—

Revised Prices for Machine-processed Shakes

5/2½-18" No. 1 (shingle grade) per square (2 bundles, 14/14 courses) 14" exposure.....	\$3.20
5/2-16" No. 1 (shingle grade) per square (2 bundles, 17/17 courses) 12" exposure.....	3.65
5/2½-16" No. 1 (shingle grade) per square (2 bundles, 17/17 courses) 12" exposure.....	3.75
Hip and ridge units, 6½"-7" or 8" widths, per bundle of 40 units 16" No. 1 grade.....	1.30

maximum prices of red cedar logs, which became effective March 13, 1946. The Office of Price Administration, in making an analysis of the cost of production for the first three quarters of 1944, estimates that for each \$1 per thousand board feet increase in the

cost of red cedar shingle logs and bolts the production cost on shingles rises almost eight cents a square. Therefore the increase of \$4 per thousand board feet in the price of logs, when rounded out to the nearest five cents, will amount to thirty cents per square.

WHAT THE CANADIAN EXPORTER CAN DO FOR THE TRADE COMMISSIONER

The meagre information frequently furnished by Canadian exporters places a serious handicap on the Trade Commissioner in his efforts to market their products.

A general statement, therefore, of the facts about the exporter, his banking references, whether he is already engaged in foreign trade, and for what period and to what extent, are some of the essentials which should be given in the first letter either to the Department or to a Trade Commissioner, particularly the latter. He also wants general data about the commodity which the exporter wishes to sell in that particular market, noting any special advantages pertaining to the line offered, particularly as compared with well-known articles of the same type from other countries. He also wants to know exactly what the manufacturer is himself willing to do to place his goods in the new field; the basis on which sales would be made to the importer or on which goods could be offered for sale by a recognized agent, and the commission that would be paid the latter; what would be required of an importing house or agent in order to obtain the agency for the line; whether the manufacturer would send consignment stock or samples and in what quantity; whether he is prepared to advertise or to co-operate in advertising and to what extent.

PRICES

Prices should never be quoted from an interior manufacturing point in Canada. Where quotations c.i.f. port of destination are not practicable, they should be given f.o.b. steamer, but it is strongly recommended that prices

should be quoted c.i.f. This is a most important point, as the foreign buyer has no definite knowledge of the charges likely to be incurred if quotations are f.o.b. cars at point of shipment, and freight rates from some interior point in Canada to the seaboard are unobtainable in foreign countries. He has no means of knowing insurance rates, or the elements that enter into the fixing of the premiums. As a rule he is unable to obtain a quotation of an outward freight rate at an inward port, as the general practice of steamship companies is to refer a request for a freight rate from (say) Montreal to Auckland to the agent in the former city, although an approximate rate may be quoted. The foreign buyer is at a distinct disadvantage unless prices are quoted c.i.f.

DISCOUNTS

Discounts should be printed or typewritten, preferably on a folder or slip accompanying a descriptive catalogue. In submitting an illustrated descriptive catalogue to prospective customers the importer should not be placed in the position of having to disclose the exact terms on which the goods are offered to him.

GROSS AND NET WEIGHT

A knowledge of the gross and net weights per unit quoted is essential. Without these the prospective purchaser is unable to estimate laid down costs.

SOME POINTS TO BE NOTED

The fullest possible information in regard to the commodity and complete details on the following points would greatly aid the Trade Commissioners in

the intelligent handling of inquiries addressed to them as to the introduction and subsequent marketing of Canadian goods on behalf of exporters:

1. Cable address, code used, and special code words not in the regular code books.

2. Bankers' references.

3. The basis on which prices are quoted, whether c.i.f. main foreign ports; f.a.s. Canadian ports; or f.o.b. vessel.

4. Are quotations firm, or subject to change without notice due to fluctuations in costs of raw material?

5. On what quantity basis are quotations made? Can prices be reduced on quantity orders, and if so how much?

6. Are orders subject to acceptance by exporter?

7. What brand do lines bear, and are these to be sold under this brand in foreign markets?

8. What is the nature of packing; heavy wooden crates, boxes, new bags or burlap?

9. What are your terms? Is there a special discount for cash?

10. What is the gross and net weight in pounds, and the measurement in cubic feet?

With the foregoing information on hand, supplemented by several copies of recent catalogues and descriptive literature, and, if not too bulky, samples—not necessarily a full range—Trade Commissioners are put in a position to give at short notice the best service to Canadian exporters and can either place them in communication with reliable importers or recommend suitable agents.

ECONOMIC, TRADE AND PRODUCTION NOTES

Newfoundland

REVENUE AND EXPENDITURE

Government revenue has now passed the \$30,000,000 mark, and for the first eleven months of the fiscal year 1945-46 totalled \$30,872,622. This is a slight decrease from the figure for the same period of the previous fiscal year, when the total revenue amounted to \$30,996,216. Expenditure for the first eleven months of the fiscal year 1945-46 amounted to \$25,855,217 as against \$23,490,754 for the same period of the preceding fiscal year. Surplus of revenue over expenditure for the first eleven months was \$5,017,405.

Uruguay

FOREIGN TRADE IN 1945

Imports into Uruguay in 1945 were valued at U.S.\$114,759,000, and exports therefrom at U.S.\$122,013,000, according to an advance report issued by the Import and Export Control Board of Uruguay, as reported by the Acting Canadian Trade Commissioner at Buenos Aires. Both figures, particularly that for imports, show substantial increases over those for 1944,

which were U.S.\$72,446,000 and U.S.\$97,559,000 respectively. The balance in Uruguay's favour amounted only to U.S.\$7,254,000 as against U.S.\$25,113,000 in 1944.

Imports from the United States in 1945 showed a sharp increase, being valued at U.S.\$47,606,000 as against U.S.\$18,856,000. Those from Brazil, next in order as a supplier, were valued at U.S.\$19,327,000 as compared with U.S.\$16,046,000 in 1944; from Argentina, U.S.\$11,777,000 (U.S.\$9,270,000); Venezuela, U.S.\$6,044,000 (U.S.\$4,124,000); United Kingdom, U.S.\$4,503,000 (U.S.\$3,269,000); South Africa, U.S.\$3,791,000 (U.S.\$2,885,000); Peru, U.S.\$3,798,000 (U.S.\$2,999,000); Mexico, U.S.\$3,422,000 (U.S.\$793,000); Sweden, U.S.\$3,043,000 (U.S.\$2,322,000); Canada, U.S.\$2,181,000 (U.S.\$1,255,000); and Chile, U.S.\$1,892,000 (U.S.\$879,000).

Exports to the United States in 1945, valued at U.S.\$55,757,000, showed an increase as compared with U.S.\$46,329,000 in 1944, while shipments to the United Kingdom were moderately lower at U.S.\$28,948,000 as against U.S.\$31,322,000. Purchases by these two

countries accounted for slightly less than 70 per cent of the total value of exports as compared with nearly 80 per cent in the preceding year. Increases in the exports to a fairly long list of countries accounted for the major part of the total gain. Those to Canada were valued at only U.S.\$13,000 as compared with U.S.\$7,000 in 1944.

TRADE REGULATIONS AND TARIFF CHANGES

Southern Rhodesia

IMPORT CONTROL RELAXED

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes that, effective March 1, 1946, permits are no longer required for the importation into Southern Rhodesia of cotton wool, fire-fighting equipment, jute and jute products, and dangerous drugs.

Import permits are now necessary only in the case of the following items:—

Coffee beans, raw; cotton piece-goods of pure cotton or mixtures, all types and widths, for manufacturing and domestic purposes, including cotton blankets, but excluding wearing apparel and other made-up articles of cotton; cotton yarn, all types and counts, for manufacturing purposes excluding sewing, crochet, darning and embroidery cotton; flotation reagents and pine oil and mercury; glass borax; lime; ploughs, single-furrow, under 20 pounds in weight, including spares and attachments; wheat in the grain, wheaten flour, wheaten meal, and wheaten bran; salt, coarse; sugar, all types; tea in packets and in bulk; barley and malt; buckwheat, kaffir corn, millet, oats and rye in the grain or raw, maize in the grain, rice in the grain, cassava flour, maize meal, butter, eggs, cheese, potatoes, oil seeds, oil cake and meal, vegetable oils, tallow, live pigs, bacon and other pig products, beef and beef products, excluding Bovril and other meat extracts, meat powders, tinned and potted meats and meat pastes; leaf tobacco; firearms and explosives; second-hand tires of all types.

A previous notice respecting Southern Rhodesia import regulations was published in *Commercial Intelligence Journal* No. 2175 (October 6, 1945), page 337.

Trinidad

EXTENSION OF EXPIRY DATES OF IMPORT LICENCES

A notice of March 19, issued by the Acting Controller of Imports and Ex-

ports of Trinidad, states that the following procedure must in future be observed in submitting applications for extension of the expiry dates of import licences—

- (a) In the case of licences issued valid for a period pending confirmation, importers will be required to submit satisfactory evidence of such confirmation, together with two (2) signed copies of the "Application for Extension of Licences" form.
- (b) In the case of all other licences, with the exception of licences on the sterling area, two (2) signed copies of the form referred to in (a), together with the Customs and bank copies of the relevant licence must be submitted in the usual manner, together with full particulars in support of the application.

Turks and Caicos Islands

TONNAGE TAX LAW

An Ordinance of the Legislative Board of the Turks and Caicos Islands, a dependency of Jamaica, extends until March 31, 1947, tonnage taxes on merchandise imported into these islands.

The normal tonnage taxes are: 6d. on packages not exceeding $\frac{1}{2}$ cwt., 1s. if exceeding $\frac{1}{2}$ cwt. but not 1 cwt., 2s. if exceeding 1 cwt. but not 4 cwt., and 6d. on each cwt. in addition to 4 cwt.

United States

MAXIMUM IMPORT PRICE REGULATION REVISED

Mr. W. D. Wallace, Assistant Commercial Secretary, Canadian Embassy, Washington, reports that the Office of

Price Administration has issued an amendment revising Maximum Import Price Regulation, which is now designated "Revised Maximum Import Price Regulation" and becomes effective March 25, 1946. The revised regulation controls the prices on all types of sales of all kinds of commodities imported into the United States after March 31, 1942, and establishes a general formula for computing maximum prices of certain imported commodities. The regulation provides a means for establishing maximum prices for certain other sellers of imported commodities by order issued under the regulation and a method of adjustment of maximum prices of manufactured commodities priced under the General Maximum Price Regulation if imported commodities are used in their manufacture.

EXCEPTIONS FROM REGULATION

The following sales are excepted from the revised regulation:—

1. Firewood from Canada, lumber and forest products, beverages, animal and poultry feeds.
2. Any commodity of a kind or category expressly named in, and for which a maximum price can be determined under, another regulation.
3. Any commodity not subject to price control.

FORMULA FOR MAXIMUM PRICES

Maximum prices on sales of any commodity imported after March 31, 1942, and not listed in the above exceptions, by any seller to any particular class of purchaser shall be determined by the seller under the following general formula: by taking the total of his cost of acquisition* plus his dollars-and-cents mark-up per unit used for the same imported commodity, or alternately 75 per cent of his percentage mark-up per unit, used

for the same class of imported commodity on his last delivery, or offer for delivery, to the same class of purchaser while acting in the same capacity between January 1, 1939, and March 31, 1942.

In the event a seller cannot determine his maximum price for any imported commodity under a price regulation specifically naming the kind or category of commodity, or under the general pricing formula, he shall apply for a maximum price before selling such a commodity. The Price Administrator will establish his maximum price or formula for determining his maximum price for such commodity by order on the basis of cost of acquisition and the customary dollars-and-cents mark-up on the same class of commodity, for the same class of seller and purchaser, during March, 1942, or during the nearest comparable selling period prior to that date.

If application is not made for a specific dollars-and-cents maximum price, the Price Administrator may establish such maximum price on specific imported commodities or establish specific mark-ups to be applied to the cost of acquisition of specific imported commodities on the basis of the criteria set out in the above paragraph by either individual or general order.

MAXIMUM PRICES TO CERTAIN OTHER SELLERS

The regulation provides for maximum prices for sales by wholesalers who buy from wholesalers. The regular sequence of distribution for the purpose of this regulation is as follows: (a) sales by importation to industrial users, wholesalers or retailers; (b) sales by wholesalers to industrial users or retailers; and (c) sales by retailers to consumers.

No mark-up may be added by a wholesaler who buys commodities from another wholesaler unless authorized by order of the Price Administrator. When such permission is granted, the second wholesaler shall establish his maximum price under the general for-

*Cost of acquisition means "landed costs" in the case of an importer or the net price paid by any other seller (not exceeding his supplier's maximum price to him), plus any transportation costs actually incurred in acquiring the commodity.

mula, or it may be established by order.

Retailers, other than importing retailers who determine maximum prices under the general formula, will ordinarily be able to determine their maximum prices under Maximum Price Regulation 580 or by following the provisions of Order 83 under Maximum Import Price Regulations. If the imported commodity can be priced by the non-importing retailer under Maximum Price Regulation 580, the maximum price must be established by using his pricing chart. The non-importing retailer shall determine his maximum selling price for an imported commodity under the general formula or by order only when the commodity: (a) cannot be priced under Maximum Price Regulation 580; (b) is of a class or category not covered by Order 83 of Maximum Import Price Regulation; or (c) cannot be priced by a specific maximum price regulation or order which establishes maximum prices on retail sales of the commodity, whether produced domestically or imported.

MAXIMUM PRICES FOR CERTAIN SPECIFIC COMMODITIES

In Appendix A to Revised Maximum Import Price Regulation, provision is made for the following two groups of commodities to be excepted from the general pricing formula, but the Price Administrator may use this formula or he may determine the maximum price by order:—

- (a) Textile piece-goods made of cotton, artificial fibre or mixtures thereof (finished, mill-finished or in the grey).
- (b) Apparel and apparel accessory commodities, not including, however, commodities made of straw or (except for the linings, bindings and trimmings) entirely hand-knitted, hand-crocheted or hand-woven.

Appendix B to Revised Maximum Import Price Regulation allows for adjustment of maximum prices for certain commodities manufactured from imported commodities when:—

- (a) The imported industrial materials constitute a necessary ingredient of the manufactured end commodity.
- (b) The imported industrial materials used in the manufactured product have increased in price to the extent that they cannot continue to be used in the production of the end commodity.
- (c) The granting of the adjustment will not interfere with the production or distribution or endanger the control of prices of comparable commodities made from domestic material.
- (d) In the judgment of the Price Administrator, an increase in the maximum prices would be in furtherance of the Emergency Price Control Act and the Stabilization Act.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

If writing the Department regarding an inquiry, please quote name of inquirer, date

of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

18. *Guatemala* — Andrews & Co. S.C., Guatemala City, Guatemala, have expressed interest in securing representation for the following Canadian products: leathers, hops and malt, plastics, hardware, rugs and carpets, and enamelware. File: C.E. 199.

19. *Malta* — Messrs. Wismayer Trading Company, 5 St. James Street, Sliema, Malta, import and commission agents, are interested in obtaining offers of salted eels, for which there is a considerable demand in the

Colony. They requested that quotations be forwarded direct to them. File 17382.

20. *Italy*—Continental Commodities Corporation, 29 Broadway, New York 6, N.Y., incorporated under New York State laws, with subsidiaries in Milan and Rome, Italy, is interested in arranging barter deals for Canadian and Italian products in view of present difficulties Italian firms now experience in obtaining foreign exchange. The New York firm would undertake to pay for purchases made in Canada in United States dollars and themselves arrange the barter deal. File 24246.

20. *Ecuador*—J. V. Espinoza G., P.O. Box 607, Guayaquil, Ecuador, has expressed interest in securing representation on a commission basis for Canadian manufacturers of the following: textiles; hosiery; shirts; ribbons; threads; cordage and twine; glassware; china; porcelain; pottery; baths; chemicals, including aniline dyes, paints, varnishes dry colours; enamelled goods, hollowware, kitchenware; hardware, cutlery, lanterns, brushes, nails, tacks, screws, clamps, barbed wire; rubber goods and sanitary goods; leather goods; paper products; plumber's supplies; pencils. File 12639.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations Mar. 25	Nominal Quotations Apr. 1
Argentina	Peso	Off.	.3282	.3282
		Free	.2696	.2685
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso	....	.6282	.6282
Cuba	Peso	....	1.1025	1.1025
Czechoslovakia	Koruna	....	.0220	.0220
Denmark	Krone	....	.2296	.2296
Ecuador	Sucre	....	.0816	.0816
Egypt	Pound	....	4.5538	4.5538
Eire	Pound	....	4.4400	4.4400
Fiji	Pound	....	4.0090	4.0090
Finland	Markka	....	.0081	.0081
France and North Africa.....	Franc	....	.0092	.0092
French Empire—African.....	Franc	....	.0157	.0157
French Pacific possessions.....	Franc	....	.0222	.0222
Haiti	Gourde	....	.2205	.2205
Hongkong	Dollar	....	.2775	.2775
Iceland	Krona	....	.1702	.1702
India	Rupee	....	.3330	.3330
Iraq	Dinar	....	4.4400	4.4400
Jamaica	Pound	....	4.4400	4.4400
Mexico	Peso	....	.2268	.2268
Netherlands	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.5842	.5842
New Zealand	Pound	....	3.5698	3.5698
Norway	Krone	....	.2220	.2220
Palestine	Pound	....	4.4400	4.4400
Peru	Sol	....	.1709	.1709
Philippines	Peso	....	.5512	.5512
Portugal	Escudo	....	.0444	.0444
Spain	Peseta	....	.1009	.1009
Straits Settlements	Dollar	....	.5180	.5180
Sweden	Krona	....	.2627	.2627
Switzerland	Franc	....	.2563	.2563
Turkey	Piastre	....	.0085	.0085
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar	....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS--*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, 14 Berkeley Street, London W. 1, England.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfracom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

OTTAWA, APRIL 13, 1946

ECONOMIC RECOVERY OF THE NETHERLANDS

By J. A. LANGLEY, *Commercial Counsellor, Canadian Legation at The Hague*

The Netherlands, with her colonies, was before the war one of the wealthiest empires in Europe, possessing old-established and well-run industries, an extensive foreign trade, and a sound currency with a balanced national budget and a comparatively moderate indebtedness. The standard of living was one of the highest in Europe, with modern housing conditions for all classes of the population. Netherlands shipping was to be seen in all ports of the world, and Rotterdam and Amsterdam were the centres of important traffic to and from the hinterland.

Comparing conditions which prevailed then with those obtaining after liberation, it is apparent that, as a result of deliberate devastation by the Germans, the productive capacity of most industries was seriously damaged either by deliberate demolitions or by the removal of machinery, leaving the country dependent largely on imports for its rehabilitation and to meet the immediate requirements of the population. The Netherlands merchant fleet was reduced to about half its pre-war tonnage; the currency position was precarious, due to the cumulative effects of inflationary financial and trade policies; transit trade had dwindled to insignificance in comparison with its former level; and the transport systems of the country were in a state of complete confusion. All this brought about a decline in the standard of living of all classes of the population, and in addition the damage done by military operations in various parts of the country created an acute housing problem.

After eight months of liberation the work of reconstruction has made remarkable progress, even in those parts of the country which were most

severely damaged. Most of the towns have been cleaned up, and the work of clearing the agricultural land of mines is almost completed. Most of the inundated land has been drained, and broken dykes have been repaired and the canals cleared of wreckage. The majority of the factories that are still intact have resumed production on a limited scale, and output is slowly increasing month by month as power and raw materials become available. Transportation systems are being repaired and expanded, and the rehabilitation of agriculture and stock breeding is being pushed forward by sturdy and methodical efforts in order to wipe out the ravages of war as quickly as possible. Imports naturally show a steady increase in volume, and exports have been resumed on a limited scale.

COAL

The chief adverse factors in the recovery of production are those arising from the power and raw material situations, which have been an almost crippling handicap to industry. Before the war the Netherlands coal mines in Limburg were producing 45,000 tons of coal daily; immediately after the liberation this figure had fallen to 13,000 tons, and now it is about 24,000 tons, or 55 per cent of 1938 production, with an immediate target of 35,000 tons. It is considered that it will not be possible to exceed this figure for some time to come, until new machinery can be obtained and the labour force, at present 20 per cent less than that employed in 1939, can be increased. This coal yield, plus imports, has made it possible to give a small ration of coal to private householders and to provide them with a carefully rationed supply of electricity

and gas. This has been done at the expense of industry, and a real forward movement on the manufacturing front cannot be expected until spring, when the coal will no longer be required for heating private houses. The electricity ration is designed to allow for the burning of one 40-watt and one 20-watt lamp from sunset until 11 p.m. and for the operation of a radio for a short period.

FINANCIAL SITUATION

The Netherlands financial position was stabilized by a series of drastic measures. At the end of September, 1945, it was enacted that bank and currency notes of all denominations and notes imported by the Allied troops ceased to be legal tender, and bank accounts were blocked. At the time of liberation the bank-note circulation alone had reached 5.5 milliards of guilders; by this measure it was reduced to between $2\frac{1}{2}$ and 3 milliards of guilders, and by December, 1945, the note circulation stood at about 1.2 milliards of guilders. New currency is being issued by a process of gradual de-blocking, and the holders of blocked balances are shortly to be permitted to invest a portion of their frozen funds in new government loans and use the balance for payment of overdue taxes and of special levies such as taxes on capital. These measures have prevented the accumulation of excessive purchasing power, thereby lessening the danger of uncontrollable inflation, and have checked to some extent extensive development of black markets.

STOCK EXCHANGE

Due to general confusion and the disorganization of communications, the Amsterdam stock exchange was closed on September 5, 1944, but was reopened for limited trading on January 7, 1946, after registration of domestic and foreign securities, including those held abroad for the account of residents of Holland.

According to the measure requiring registration of these securities, the

holder is regarded as the rightful owner unless opposed, but bona fide acquisition against payment, even after May 9, 1940, gives a good title to the present holder. Acquisition by regular stock exchange trading presumes bona fides unless counter proof is provided. If the present holder is an enemy subject, or if his property is confiscated by the authorities, the original owner obtains a title of restitution irrespective of the present holder's good or bad faith. The original owner's restitution of rights may be conditioned on his indemnifying the present holder.

Registered securities of which neither the present nor original title is acknowledged revert to the Government. Non-registered securities will become invalid, following which the issue of duplicates will be required.

As the volume of business on the exchange is restricted to the number of selling licences granted and to trading only in Netherlands bonds and mortgage bonds, the tone of operations since opening has been irregular, with prices moving in narrow channels.

TRANSPORTATION

The transport systems of the country were seriously damaged by the removal of a large part of the rolling-stock, by the blocking of canals and by the destruction of bridges, particularly the Moerdijk bridge, one of the largest in Holland and a most important link for road traffic between the northern and southern parts of the country. Rail traffic for both goods and passengers has been restored to a large extent, but traffic is still on a limited scale, due to the shortage of rolling-stock. Long-distance road haulage is beginning to play a more important part in the Netherlands transportation system with the opening of the Moerdijk bridge. Inland water-borne traffic services are being steadily extended with the clearing of obstacles from the canals and the reconditioning of the barges. The ports of Rotterdam and Amsterdam are again functioning, the port capacity of the former being about 70 per cent of the pre-war figure. In

1945 a total of 1,310 vessels, with an aggregate tonnage of about 3,315 millions, entered the harbour of Rotterdam. This port has also resumed its premier position in transit trade, although the traffic is now largely limited to grain for Czechoslovakia, Switzerland and Germany and coal from the Ruhr for Norway.

Air transport in the Netherlands is controlled largely by the Royal Dutch Air Lines, which are steadily re-establishing and extending their travel facilities between Holland and other European capitals as well as to the Netherlands East Indies.

INDUSTRIAL RECOVERY

The position in individual industries might be summed up by stating that at the year-end the manufacture of bricks was about 4.5 per cent of pre-war production; cement, 70 per cent; fertilizers, 75 per cent; shoes, one-third; paper, 25 per cent; and textiles and pottery being manufactured on a very limited scale.

AGRICULTURE

Agriculture is the most important branch of national industry in the Netherlands. Prior to the war large quantities of agricultural, horticultural and dairy products were shipped to a great many markets abroad, being valued in 1939 at 238,907,000 guilders.

With nearly 500,000 acres of pasture and cultivated land inundated by either fresh or salt water during the war, coupled with German military measures, including the use of an additional 125,000 acres for minefields, fortifications, etc., and a lack of fertilizers, the yield from agriculture at the time of liberation was 45 per cent lower than before the war. A large part of the live stock, poultry, etc., was pilfered, and cattle-breeding suffered from an increasing scarcity of fodder and a shortage of pastureland, as meadows were ploughed up and used for market-gardening purposes.

As a result of strenuous efforts, the long-term struggle to rehabilitate the industry has begun to show results, not only in the reclaiming from inundation of the important 52,000 acres of the Weeringermeer polder (reclaimed land) and the closing of the dykes at Walcheren but by the ploughing-up of these lands and the sowing of seed. Some areas that were flooded by salt water yielded a greater crop in 1945 than prior to the flooding, while others it will take years to bring the land back to normal production.

Table 1, based on figures issued by the Central Bureau of Statistics, shows the areas under the various crops in the Netherlands from 1939 to 1945.

As stated previously, the shortage of fertilizers and of labour has had an adverse effect on the yields of all

TABLE 1
Crop Distribution in the Netherlands

	1939	1941	1942	1943	1944	1945
		Figures in Hectares		of 2.471 Acres		
Winter wheat	41,578	81,959	48,460	87,144	104,891	51,972
Summer wheat	82,286	55,073	95,483	61,839	41,906	67,404
Rye	225,345	240,960	280,648	317,217	298,977	216,120
Winter barley	4,238	6,778	4,574	7,247	9,629	7,023
Summer barley	36,854	40,142	46,355	38,897	23,575	40,729
Oats	163,010	108,935	103,501	113,946	123,431	147,541
Beans and pulses	60,198	74,814	61,838	44,161	37,806	56,639
Rapeseed	338	3,379	4,036	48,509	49,458	34,686
Poppyseed	2,471	41	6,602	7,827	6,104	2,433
Linseed	24,916	19,969	22,582	15,161	12,788	9,425
Field and horticulture seeds....	6,463	13,057	17,816	23,763	20,597	15,227
Potatoes	124,483	160,817	211,567	211,869	193,975	172,248
Sugar beets	45,701	45,177	40,787	44,272	39,960	18,158
Fodder beets	53,063	59,505	62,807	60,466	60,128	63,593
Grass (clover)	42,230	35,923	30,977	33,472	37,640	54,834
Other crops	15,947	10,507	11,653	13,350	12,743	17,762
Total	929,121	957,036	1,049,686	1,129,140	1,073,608	975,794

agricultural products. As compared with that of 1939, the 1945 winter-wheat harvest decreased from 146,726 tons to 103,000 tons, the summer-wheat crop from 269,797 tons to 113,000 tons, rye from 603,255 tons to 202,000 tons, barley from 146,041 tons to 90,000 tons, oats from 449,241 tons to 229,000 tons, flax from 130,030 tons to 45,000 tons, edible potatoes from 2,231,778 tons to 1,804,780 tons, factory potatoes from 818,582 tons to 524,570 tons, and sugar beets from 1,716,000 tons to 480,750 tons.

LIVE STOCK

The recovery of Holland's cattle population is reflected in Table 2, supplied by the Central Bureau of Statistics:—

TABLE 2
Netherlands Live-stock Census

	1939	1941	1942	1943	1944	1945
Cows and calves	2,817,314	2,658,749	2,440,553	2,057,579	2,189,379	2,277,105
including						
Milch cows	1,566,281	1,372,885	1,274,347	1,200,507	1,162,412	1,188,212
Hogs and piglets	1,553,413	947,743	490,953	544,535	....	768,733
Sheep and lambs	689,501	508,474	574,497	450,837	....	488,746

In connection with the foregoing statistics, the production figures shown in Table 3 for certain dairy products are of interest, although data is not available for 1942 and the following years:—

TABLE 3
Netherlands Production of Dairy Products

	Butter Figures in	Cheese Metric	Condensed Milk Tons of 2,204	Milk Powder Pounds
1939	85,863	73,985	51,515	17,151
1940	82,547	69,598	28,436	19,060
1941	72,895	46,047	1,652	13,536

With reference to 1946 export possibilities for dairy products, the Netherlands Minister of Agriculture has stated that the cost of butter is about one guilder per pound higher than the world price. As regards cheese, it will be possible to produce about 74,000 metric tons, half of which will be allocated for export. Milk production is expected to reach 124,000 metric tons monthly, which, after allowing for cheese and butter requirements will result in a shortage of supplies for domestic consumption.

The 1946 forecast for vegetables indicates a surplus, which will have to be exported or conserved. At present the authorities have under consideration plans for the installation of a large number of refrigerating plants for the freezing and storage of vegetable surpluses.

EXPORTS

Prior to 1940 the value of imports into the Netherlands regularly exceeded exports. About 70 per cent of the adverse balance of trade was taken care of by exports, and the remainder by the proceeds of foreign investments and other items of invisible exports, which enabled the country to finance the excess of imports. For the time being there has been a curtailment

of imports of nearly all lines, and the resumption of large-scale exports depends on the agricultural and industrial revival of the country, by which the Minister of Trade and Industry hopes by a long-term program to

equalize imports and exports. There are no doubts of an industrial revival, but it is handicapped at present by a shortage of fuel, manpower and raw materials; even so, industry is on the whole maintaining and increasing its activities. Plans for the establishment of new industries are being considered, and much experimental work has been undertaken in turning out new and improved products. In the labour market there is difficulty in obtaining trained workers for industry, but not

to the same extent as in other European countries.

The principal destinations of exports in 1945, together with the percentage of the total credited to each, were: Belgium and Luxembourg, 19.9 per cent; United States, 13.7 per cent; United Kingdom, 12.7 per cent; Sweden, 12.6 per cent; France, 10.6 per cent; Switzerland, 6.2 per cent; Denmark, 2 per cent; Germany, 1.9 per cent; Norway, 1.4 per cent; and Canada, 1.2 per cent. The commodities exported, with values in thousands of guilders, in November, 1945, were as follows: bulbs, 3,632; seed potatoes, 2,907; fruit pulp, 914; wireless apparatus, 839; flax, 738; electric bulbs, 656; oysters and mussels, 413; pig iron, 361; electrical apparatus, 280; flour (for the Allied Forces in Germany, after processing), 277; scientific instruments, 273; machinery and parts, 245; trees and shrubs, 218; sand and gravel, 196; hare and rabbit skins, 178; vacuum cleaners, 117; metals and metal alloys, 114; matches, 113; fresh grapes, 109; fine earthenware, 89; seed wheat, 65; chemical products, 64; essential oils, 62; wooden hoops, 59; spirits, 54; plywood, 53.

A list of industrial products which the Netherlands is likely to be in a position to export in limited quantities during 1946 is available for inspection by interested Canadian firms on application to the Director, Import Division, Department of Trade and Commerce, Ottawa.

IMPORTS

Detailed figures of the 1945 imports into the Netherlands are not available, but practically everything required during 1945 for the rehabilitation of the national economy had to be obtained in foreign markets. For the period August to December, 1945, these requirements amounted to 3,712,521 metric tons, and the principal sources of supply were: the United States, 30.4 per cent of the tonnage imported; Germany (mostly coal), 15.1 per cent; Canada, 11.7 per cent; United Kingdom, 11.2 per cent; Belgium and

Luxembourg, 7.1 per cent; Sweden, 5.8 per cent; Argentina, 3.7 per cent; Spain, 3.2 per cent; Tunis, 2.7 per cent.

Table 4 shows for 1939, the last normal year before the war, the principal commodities imported into the Netherlands. The values of such imports are shown in guilders, but these are not indicative of the values of post-war imports, since by far the greater part would now have to be paid for in dollars, and the exchange rate for the dollar in 1939 was about 1.88 guilders as against the current rate of approximately 2.65 guilders. In addition, there must be taken into consideration the increase in prices of merchandise in dollar countries, which means that now such imports from those sources would cost about 140 per cent more than before the war.

TABLE 4

Principal Imports into the Netherlands in 1939

	Millions of Guilders
Total	1,517
Iron, steel and articles thereof.....	147
Implement, apparatus	121
Coal, coke, briquettes	60
Timber	59
Yarns	55
Drygoods and textiles	50
Carriages and vehicles	46
Chemical products	39
Crude mineral oil and by-products...	37
Seeds (excluding vegetable and flower)	35
Maize	35
Saltpetre and fertilizers	34
Ores (excluding iron and manganese)	28
Wheat	27
Unspun cotton, cotton waste, cotton wool, dressings	27
Paper and paper articles	26
Clothing and dressed furs	24
Copper, copperware and bronze ware	23
Raw tobacco	23
Hides and skins	23
Woodwork and manufactures thereof and similar materials	22
Articles made from raw materials n.o.p.	21
Fresh or dried sub-tropical fruits ...	20
Minerals n.o.p. and articles made therefrom	20
Unspun wool	19
Paints, dyes, lacquers and varnishes.	19
Vessels and aeroplanes	18
Peanuts	17
Cocoa beans and offal	16
Instruments and accessories	16
Vegetable products	15
Coffee	15
Munitions	14
Tea	14
Tinplate and tinware	14

TABLE 4

*Principal Imports into the Netherlands
in 1939*

	Millions of Guilders
Cattle fodder	12
Petrol	11
Rubber and balata manufactures...	11
Wood n.o.p.	11
Metals (n.o.p.), alloys and manufac- tures thereof	11
Rice in the husk	10
Animal products n.o.p.	9
Vegetable oils	9
Train oil	9
Articles of fashion	9
Glass and glassware	9
Petroleum (refined) or kerosene....	8
Soya beans	8
Lime, trass, cement and chalk	8
Hemp, jute, flax and other spinnable vegetable fibres	8
Husked, broken or rolled grains and malt	8
Copra	8
Leather	7
Medicines and chemical foodstuffs...	7
Wireless articles	7
Stone	7
Unrefined cane sugar	7
Barley	7
Meal and flour of wheat	6
Lead and lead ware	6
Iron and manganese ore	6
Rosin, gum, balsams and coal-tar products	6
Rubber and balata	5
Foodstuffs and luxuries n.o.p.....	5
Wax, soap, natural asphalt, prepara- tions from oils, fats, etc.	5
Other commodities	101

TABLE 5

*Imports of Canadian Products into the
Netherlands in 1939*

	Metric Tons
Total, including items not listed.....	138,474
Fish and shellfish	37
Honey	320
Animal products, non-specified	366
Wheat	70,132
Maize	1,077
Rye	727
Barley	12,580
Oats	7,108
Cereals n.o.s. and buckwheat	1,653
Soya beans	17,699
Fresh fruit, other (apples)	1,338
Cattle feeds	604
Vegetable products, n.o.s.	191
Ores (other than iron and mangan- ese)	12,041
Copper, bronze and brassware	2,464
Lead and works thereof	102
Metals, non-specified, metal alloys, and products thereof	213
Minerals, non-specified and products thereof	1,995
Wheat flour	968
Flour products, non-specified	181
Paints, dyes, lacquers and varnishes	127
Vegetable oils	26
Crude petroleum and miscellaneous derivatives	94
Train oils	361
Lumber	2,728
Wood products	1,079
Textile products (sacks)	1,010
Wallboards	498
Paper and paper products	21
Leaf tobacco	39
Foodstuffs, non-specified	19
Implements and agricultural ma- chinery	32
Products of rubber and balata	429

It will be observed from Table 5 that the bulk of the pre-war imports from Canada into the Netherlands was raw and semi-manufactured materials for further processing. At that time, however, there was a tendency to purchase from Canada increasing quantities of fully and semi-manufactured goods, so it may be assumed that future sales by the Dominion to the Netherlands will be largely of manufactured merchandise until such time as Netherlands' industry reaches full productive capacity. Competition in this market has always been very keen and, as the Netherlands tariff is a single-column one, products from all countries are admitted on the same duty basis. As the Government is now the sole purchaser abroad, the import tariff has been suspended until such time as trade is once again in normal channels.

TRADING POSSIBILITIES

Owing to the lack of dollar exchange in the Netherlands for private trading—the Canadian loans to the Netherlands being earmarked for official purchases—it is not possible for importing houses to obtain the necessary import licences for trading through normal channels. At present, therefore, Holland's requirements from Canada are being obtained through the medium of the Netherlands Purchasing Mission in New York, but it is anticipated that the question of the availability of Canadian dollars for private trading will be solved shortly. In the meantime, Canadian export firms should, regardless of the exchange position and whether or not they have stocks available for export now or in the near future, arrange for representation in the Netherlands. By this it is not meant that in the future there

will be free trading in the general sense of the term, as imports will be restricted to essential materials necessary for rebuilding the economy of the country by means of an import-permit system. In addition, quotations to Netherlands' importers must be on the basis that the Hollander, by nature and custom a born trader, will generally purchase only from the supplier who can submit the lowest offer for specification materials.

From the foregoing it will be realized that the Netherlands is making a valiant effort to regain the ground lost during the war years. There is plenty

of hard work ahead, but this does not alter the fact that it is a long-term struggle for both physical reconstruction and to cope with the basic problem presented by the fact that the country's national debt increased heavily during the war years, while the national income, a large part of which came from the Netherlands East Indies, decreased. The most pressing problems facing the Government are the provision of supplies of coal, food, and materials, and the effecting of an all-round reduction in the high costs of all items entering into the economy of the country.

BUSINESS CONDITIONS IN SOUTHERN RHODESIA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The level of business has been well sustained in Southern Rhodesia, and year-end seasonal shopping began earlier than usual. Following the Christmas season there was the usual quieter trend, but there are indications that the general stock position has improved slightly, even though anticipations as to the flow of imports have not been fully realized. A wider range of commodities has been displayed.

CONSTRUCTION

Building contractors are fully employed, although there was the usual lull as a result of the annual trade holiday over Christmas and New Year's. The continued shortage of materials, especially timber and plumbing fittings, retards building programs. A report recently issued by a Commission inquiring into the building industry recommends the continuance of building control and of the system of issuing building permits. As the Commission considers that in many cases profits are excessive, it has recommended legislation for the control of profits.

AGRICULTURE

Available supplies of corn were considerably below ordinary consumption requirements at the end of 1945, and

rationing measures were consequently introduced to ensure equitable distribution. The position is expected to be eased by the arrival of corn from Argentina. Rainfall has been fairly satisfactory, and the grazing and water-supply positions are now favourable. The cattle market still remains seasonally inactive, but prices are firm and the restrictions on permits issued to farmers for cattle purchases are less stringent.

INDUSTRIAL CONDITIONS

Industries are operating at a satisfactory level, and the output from local factories continues to obtain a ready market. Dehydration factories are fully employed, and further expansion is planned. Southern Rhodesia's first food contribution to UNRRA, 60 tons of dehydrated onions, has been completed.

In pursuance of its plans for settling ex-servicemen on the land, the Government recently acquired nearly 25,000 acres in the Essexvale District, and a commission is being formed to make arrangements for the division of the land.

MINING

The total value of minerals produced in Southern Rhodesia in 1945 was £8,049,793 as compared with £8,422,461 in 1944. Production of gold de-

creased to 568,241 fine ounces, of which the value was £4,893,685 as compared with £4,978,922 in 1944. The output of asbestos amounted to 56,348 tons valued at £1,788,386, a slight increase in value, although the tonnage was lower than in 1944. During 1945 the output of chrome ore was 205,382 tons valued at £413,337, a considerable drop from the 1944 total of 305,398 tons valued at £609,205. Coal raised in 1945 totalled 1,839,583 tons, a decrease of 153,095 tons in comparison with the 1944 figure. The production of tungsten concentrates was 292 tons as against 771 tons in the previous year, and the value was proportionately lower at £61,668 as compared with £215,545 in 1944. The output of tin concentrates was 200 tons, valued at £36,978, as against 196 tons in 1944.

The report of a Commission on the Southern Rhodesia gold-mining industry was published at the end of December. It emphasizes the importance of gold mining in the economy of the Colony and states that, unless the decline in gold output is arrested or other exports greatly expanded, a serious decrease in national income would follow. In dealing with the nature of gold occurrences in Southern Rhodesia, the report refers to the numerous small mines and the relative smallness of the larger producers as compared with the larger mines in South Africa. The view expressed is that future mining development in Southern Rhodesia is dependent upon the successful working of low-grade and refractory sulphide deposits. The report covers many other aspects of gold mining and favours the establishment of a Stock Exchange in Southern Rhodesia to provide adequate facilities for local investment. On January 2, 1946, the Rhodesian Stock Exchange was opened at Bulawayo and, while initial operations will doubtless be small, the project is an interesting indication of developments.

EXTERNAL TRADE

Preliminary data on the external trade of Southern Rhodesia in 1945 show imports valued at £12,498,235

as compared with £11,577,636 in 1944 and exports of Southern Rhodesia products totalling £15,820,123 as against £14,283,142 in the previous year. The principal supplying countries in 1945 were: United Kingdom, £4,318,251; South Africa, £3,681,260; United States, £1,606,551; Canada, £667,261; India, £541,849; Mozambique, £443,630; Iran, £215,817, and Northern Rhodesia, £189,807. The main markets for Southern Rhodesia products were: United Kingdom, £8,882,572; Northern Rhodesia, £1,492,019; South Africa, £1,143,261; United States, £865,188; Australia, £552,607; Egypt, £529,247; and a number of others, including Canada, £116,014.

POSTWAR TRADE REVIEWS

This is a series of reports designed to provide for Canadian exporters, potential exporters and others interested in the promotion of Canada's external trade a general description of the economy and trade of a number of Empire and foreign countries, the changes that have occurred in them during the war years, and an indication of the possible opportunities for Canadian trade with them during the early postwar years. The reports, prepared by Canadian Trade Commissioners, deal with the resources, production and industries of the country, its wartime industrialization, if any, its pre-war and wartime trade, trade with Canada, tariff structure, trade policy, etc.

Copies of pamphlets in this series are now available for the countries listed below and may be obtained free on application to the Department of Trade and Commerce, Ottawa:—

Argentina
British West Indies and British Guiana
Central American Republics
Chile
Cuba
Ecuador
Haiti and Dominican Republic
India
New Zealand
Peru

Pamphlets on other countries are in course of preparation and will be listed when ready for distribution.

SCOTTISH AGRICULTURE

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

In November, 1945, the British Government announced a long-term policy for agriculture, "to promote a healthy and efficient agriculture capable of producing all the food the nation needs from home sources at the lowest price which will give the producer a fair remuneration and decent living conditions with a reasonable return on capital invested."

AGRICULTURAL POLICY

As a permanent feature of agricultural policy the Government is to establish a system of assured markets and guaranteed prices to be fixed in February for two years ahead, thus giving farmers the opportunity to make long-term plans in advance. In return for the price guarantees, the Government is to retain power to deal with farmers and landowners who are not using the land to the best advantage in the national interest, and for this reason the county agricultural committees are to be retained.

The maximum quantity of food that can be produced from British soil is still as necessary as during the war, not only because of the need to conserve scarce foreign exchange for the most essential imports but because of the world food shortage.

The labour position is still difficult; during the past few years farmers have had to depend largely on the Women's Land Army, on voluntary labour by schoolboys, etc., and on prisoners of war. But as more men are released from the Forces and other wartime obligations, this position will improve.

Weather conditions in Scotland during 1945 were, according to the *Scottish Farmer*, generally favourable, with one of the finest harvesting seasons on record and trade in live stock of all kinds was good. Prices for dairy cattle were somewhat below those for 1944, but pedigree beef cattle have been making higher prices than for a quarter of a century, and the ram sales have never been better.

LIVE STOCK

The Agricultural Returns of the Department of Agriculture for Scotland, as at June 4, 1945, show that Scotland had approximately 1,467,000 cattle, an increase of 50,000 as compared with 1944 (70,000 more beef cattle and 20,000 fewer dairy cattle). There was a decrease of 30,000 head of sheep, the total being estimated at 6,803,000. The estimate of the number of pigs was 171,000, which was 3,000 greater than for the previous year. The number of poultry, almost 7½ million head of all classes, was about 870,000 higher than in 1944.

The live-stock feedstuffs position is still difficult, as it has been since early in the war, but the position appears to be improving as a result of increased production and higher imports, so a heavy increase may be expected soon in both pigs and poultry. The sheep population is still far under the pre-war figure, and the number of farm horses continues to decline, as it has for many years, as a result of increased mechanization.

CANADIAN EXPORTS OF PENICILLIN

Prepared in the EXPORT DIVISION, FOREIGN TRADE SERVICE

Penicillin produced in Canada was first offered to foreign markets in January, 1945. While over-all statistics of exports are not available, the incomplete figures show that, in the period of fifteen months which have since elapsed, Canada has attained a strong

position in the export of this new drug. The large shipments which are now going forward afford evidence that the Canadian product has had a good reception abroad.

Exports of penicillin from Canada have been made to almost all foreign

markets. UNRRA has procured large amounts for the liberated countries of Europe and the Far East and has requested further substantial quantities for the present year. It may be noted here that UNRRA is building penicillin production units in Poland, Czechoslovakia and Yugoslavia and that the nucleus of the technical staff for these plants is being trained in a Canadian laboratory. Equipment is also being obtained in Canada for these units, which will enable the liberated areas to obtain continuing supplies that will be urgently required after UNRRA deliveries cease.

The Canadian Export Board has been purchasing substantial quantities of penicillin for the government purchasing agencies of European countries, such as the French Supply Council, Belgian Economic Mission, and the Netherlands Purchasing Commission. The Canadian United Allied Relief Fund also procured large amounts during 1945 and made shipments to the following European countries: Belgium, Czechoslovakia, Denmark, France, Greece, Holland, Poland, Russia, and Yugoslavia.

Canada has, of course, supplied large quantities of the drug to her armed forces, but their requirements have been declining as demobilization has progressed.

Many inquiries for Canadian penicillin have been received from the Latin American countries, Brazil being particularly interested in obtaining supplies in the forms of cream and

tablets. The British West Indies and Cuba have also shown an active interest in importing the drug from Canada, and there have been other inquiries from the Middle East, particularly from Egypt and the Anglo-Egyptian Sudan. Australia is producing sufficient penicillin for her own needs and those of New Zealand.

Indicative of the practically worldwide demand and market for this drug, air shipments from Canada have been made, among others, to as widely separated countries as Poland, Iceland, India and China.

Penicillin has recently been placed under export control, due to the fact that considerable amounts were beginning to enter Canada from United States sources for re-export. Since in the United States this drug is under export quota to all countries except Canada, it was realized that shipments could only be controlled by this method. However, it should be stressed that favourable consideration will be given applications for export permits to meet all requirements, including supplies for new markets.

In view of the present world shortage of penicillin, the prospects for continuing large shipments from Canada are favourable. In the interest of future export trade in this product, it is to be hoped that Canadian manufacturers and exporters will make every effort to supply small shipments, at least, to all new markets in order to establish the Canadian product.

CANADIAN COMMERCIAL CORPORATION

Creation of the Canadian Commercial Corporation is authorized by Order in Council P.C. 1218, tabled in the House of Commons on April 2 by the Minister of Trade and Commerce, who stated that it has been necessary to bring the Corporation into being in this way "in view of the many transactions which require immediate attention" and that legislation will be presented at the present session of Parliament "to enable the Corporation to operate on a continuing basis."

Following is that part of the text of the Minister's statement to Parliament explaining the reasons for setting up the Corporation and its main functions:—

"For some time it has been clear that there are many transactions in international trade which cannot be handled entirely by private enterprise and the work of the Corporation is intended to supplement the activities of business organization rather than to interfere with them.

"The Canadian Commercial Corporation will, firstly, take over the various functions of making purchases in this country for foreign governments and the United Nations Relief and Rehabilitation Administration that have hitherto been performed by the Canadian Export Board. The value of such purchases made to date by the Canadian Export Board exceeds \$417,000,000.

"Secondly, the Canadian Commercial Corporation will assist private enterprise in obtaining essential supplies from ex-enemy territories. Supplies from such territories cannot be obtained at present through ordinary commercial channels.

"Thirdly, this Corporation provides the machinery which could be used in the future to purchase commodities such as sugar, tea, oils and fats which are under international allocation or foreign government control and may continue to be so for some time to come.

"It is impossible at the moment to enumerate in full detail all the functions that will be discharged by the Corporation. The three main purposes that I have outlined are only an indication of the work to be performed.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Attaché at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia).

Their itineraries as presently arranged are as follows:—

New tasks may devolve upon the Corporation, as its work proceeds, in the light of its developing experience and the needs of Canadian business.

"The creation of the Canadian Commercial Corporation enables the Government to provide facilities to Canadian business that will match those being offered to British and American traders through the operations of the United Kingdom Commercial Corporation and the United States Commercial Corporation."

President of the new Corporation is M. W. Mackenzie, Deputy Minister of the Department of Trade and Commerce, and its directors are: H. B. McKinnon, President, Commodity Prices Stabilization Corporation; David Sim, Deputy Minister (Customs and Excise), Department of National Revenue; V. W. Scully, Deputy Minister, Department of Reconstruction and Supply; D. B. Finn, Deputy Minister, Department of Fisheries; L. P. St. Amour, Assistant Deputy Governor, Bank of Canada; and W. D. Low, who has been appointed General Manager. Mr. Low assumes these new duties after having been Chairman of the Canadian Export Board, the functions and obligations of which are being taken over by the new Corporation.

Mr. Allen

Montreal—Apr. 13 to 24.

Vancouver and Victoria—May 13 to 22.

Mr. Mutter

Vancouver and Victoria—Apr. 15 to 20.

Edmonton—Apr. 22.

Hamilton—Apr. 25.

Ottawa—May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Montreal with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

PROSPECTIVE UNITED STATES CROP PLANTINGS IN 1946

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian Embassy at Washington*

According to a recent report issued by the Crop Reporting Board of the Department of Agriculture, United States farmers, weather permitting, will plant an acreage of principal crops in 1946 equalling the relatively high level of recent years. The aggregate acreage of the chief crops planted or grown in 1946 may reach 357,250,000 acres as compared with the ten-year (1935-44) average of 355,000,000 acres and the peak figure of 375,000,000 acres in 1932.

It is estimated that the planted acreage of corn, all spring wheat, oats, barley, rice and sugar beets will be in excess of 1945 planting, while flax-seed, sorghums, potatoes, tobacco, peas and beans, soybeans, peanuts and tame hay will be slightly under the 1945 planted acreage.

Taking into account the various factors affecting crop yields, and basing yields on the average for the past five years, the Crop Reporting Board estimates that production of most of the principal crops will be less than in 1945. The only crops for which production is expected to be greater this year than in 1945 are those of rice, sugar beets and peanut.

CORN

Reports indicate that the acreage of corn planted this year will be approximately the same as in 1945. It is estimated that farmers will plant 92,993,000 acres as against 92,867,000 acres in 1945, but 6 per cent under the 1944 total of 98,561,000 acres and 2 per cent below the ten-year (1935-44) average of 94,772,000 acres.

Should all the contributing factors in 1946 result in yields, by states, equal to the average for the past five years, production of corn for all purposes would be close to 3,097,000,000 bushels and would be the fifth successive 3,000,000,000-bushel corn crop.

WHEAT

The Crop Reporting Board estimates that planting of all spring wheat in 1946 will amount to 18,961,000 acres, 1.6 per cent above the 1945 total of 18,658,000 acres. By combining the prospective spring-wheat acreage with that for winter wheat as estimated in December, 1945, it is indicated that the 1946 total for all wheat will be 70,901,000 acres, a 3 per cent increase over the 1945 figure and the largest planted since 1938.

The prospective planted area for durum wheat is placed at 2,447,000 acres as compared with 2,010,000 acres in 1945, an increase of 21.7 per cent. Other spring-wheat acreage is estimated at 16,514,000 acres, or slightly below the 16,648,000 acres planted in 1945.

Should the prospective spring-wheat acreage be seeded and the yield per seeded acre be equal to the 1937-44 average, by states, production of all spring wheat would be close to 257,000,000 bushels. This production combined with the estimated winter wheat crop of 751,000,000 bushels, as indicated in December, will give a total all-wheat production for the United States in 1946 of about 1,007,000,000 bushels, 10 per cent below the record crop of 1945. However, it would be the country's fourth crop of over a billion bushels.

OATS

The prospective 1946 oats area is estimated at 46,444,000 acres, or 2 per cent larger than the previous record acreage seeded in 1932. This would exceed the 1945 total of 45,234,000 acres by almost 3 per cent and the ten-year (1935-44) average of 41,191,000 acres by 13 per cent. On this basis the Crop Reporting Board indicates that, if the yield per acre planted equals the 1941-45 average, the crop would amount to 1,392,000,000 bushels, or 10 per cent less than the 1945 record crop of 1,548,000,000 bushels.

BARLEY

Plantings of barley are estimated at 11,521,000 acres, slightly above the 1945 total of 11,429,000 acres but almost 25 per cent below the ten-year average of 14,918,000 acres. Except for last year, the total is the smallest since 1927. If the proposed acreage is planted and the yield per acre equals the five-year average, it is estimated that production of barley will amount to 247,000,000 bushels, considerably below 1945 production and the smallest crop since 1937.

FLAXSEED

It is indicated that 3,497,000 acres of flaxseed will be planted in 1946, 14 per cent below the 1945 planted acreage of 4,066,000 acres but 15 per cent above the 1935-44 average of 3,054,000 acres. If the yield of flaxseed should equal the 1940-44 average, the crop should be close to 28,000,000 bushels. This would be 24 per cent smaller than the 1945 crop but well above the 1935-44 average production of 23,000,000 bushels.

TAME HAY

Farmers are expected to have 59,791,000 acres of tame hay in 1946, or almost the same as in 1945 when the total was 59,905,000 acres. Based on the 1940-44 average yield, the total production of tame hay for 1946 would be 86,000,000 tons.

SOYBEANS

It is estimated that the acreage planted to soybeans for all purposes will be about 11,840,000 acres, or 12 per cent less than the 1945 total of 13,412,000 acres but well above the 1935-44 average of 9,886,000 acres.

If the same proportion of total acreage of soybeans is harvested as the 1944-45 average, the Board estimates that the area would be under 9,500,000 acres for beans. On this basis and with a yield equal to the six-year (1939-44) average, the 1946 production of soybeans for beans would be about 170,000,000 bushels, the lowest since

1941 and about 12 per cent below the 1945 crop of 191,750,000 bushels.

DRY BEANS

The prospective acreage for dry beans in 1946 is estimated at 1,673,000 acres, a decrease of 5 per cent below the 1945 total of 1,760,000 acres and 20 per cent below the 1935-44 average of 2,089,000 acres.

If the 1946 proposed acreage is realized and yields approximate the 1940-44 average, the Board places increased production in 1946 at 13,500,000 bags, or about the same as was harvested in 1945.

DRY PEAS

Plantings of dry peas of edible kinds, to be harvested dry, in 1946 are estimated at 462,000 acres, or 12 per cent less than the 528,000 acres planted in 1945 but 11 per cent above the ten-year (1935-44) average of 415,000 acres. Production in 1946, based on the 1940-44 average yield, should be close to 5,332,000 bags, uncleaned, as compared with 3,594,000 bags harvested in 1945.

SUGAR BEETS

The Board estimates that 933,000 acres of sugar beets will be planted in 1946, the largest since 1942. This would be 20 per cent over the 775,000 acres planted in 1945 and 9 per cent over the 1935-44 average of 853,000 acres. Harvest from this acreage, based on the 1940-44 average, should give a production of 11,000,000 tons or 28 per cent more than in 1945 and 15 per cent above the 1935-44 average of 9,568,000 acres.

POTATOES

Prospective plantings of 2,738,300 acres of potatoes are indicated for 1946, the smallest since 1893. The acreage would be 5 per cent below the 1945 total of 2,896,100 acres and 10 per cent below the ten-year (1935-44) average of 3,053,400 acres. On the basis of yields during the years 1940 to 1944, a crop of 388,705,000 bushels should be harvested in 1946. Such a

crop would be 9 per cent below the 1945 figure of 425,131,000 bushels, the third largest on record and 4 per cent over the ten-year average production of 372,756,000 bushels.

RICE

It is estimated that 1,575,000 acres of rice will be planted in 1946, about 4 per cent greater than the previous record area of 1,517,000 acres planted in 1945 and nearly one-third larger than the 1935-44 average of 1,188,000 acres. If the yield per planted acre equals the 1939-45 average, it is indicated that the production of rice in 1946 may reach 73,000,000 bushels, which would be another record crop.

SORGHUMS

It is expected that 14,787,000 acres of sorghums for all purposes will be planted in 1946, or nearly 7 per cent under the 1945 area of 15,837,000 acres and 12 per cent below the ten-year (1935-44) average of 16,792,000 acres. From such an acreage the indicated sorghum grain production of 112,000,000 bushels would be harvested, if the yields are equal to the five-year (1941-45) average, and would exceed the 1945 crop of 96,000,000 bushels.

POINTS FOR EXPORTERS TO NICARAGUA

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

Nicaragua is the largest state of Central America, with a long seaboard on both the Atlantic (300 miles) and Pacific (200 miles) Oceans. Its area is 51,660 square miles, about the size of New York State. In the interior there is a high plateau. Nicaragua is volcanic. The climate is semi-tropical on the west coast and tropical on the east coast. In the latter area the rainfall is excessively heavy throughout the year, while in the former there are marked dry and wet seasons from December to April and from May to November, respectively.

PEANUTS

The prospective acreage of peanuts to be planted in 1946 is placed at 3,759,000 acres, or almost 5 per cent less than the 3,958,000 acres planted in 1945 and 28 per cent above the ten-year average of 2,938,000 acres. The Crop Reporting Board estimates that, if the yield per acre is equal to the 1940-44 average, the production of peanuts from picked and threshed acreages would amount to nearly 2,100,000,000 pounds as compared with 2,080,000,000 pounds harvested in 1945.

TOBACCO

The prospective 1946 area of tobacco is placed at 1,954,000 acres, the largest since 1939. It would exceed the 1,846,000 acres planted in 1945 by 6 per cent and the ten-year average of 1,554,000 by 25 per cent. It is expected that the total planted acreage of tobacco will be divided as follows: flue-cured, 1,179,000 acres; burley, 509,000 acres; Southern Maryland, 46,000 acres; dark air-cured, 41,200 acres; fire-cured, 75,500 acres.

If the prospective acreages are realized and the yields are equivalent to the 1940-44 average, it is estimated that production of tobacco will be almost two billion pounds below that of 1945.

POPULATION

The population of Nicaragua is estimated at just over a million, mostly of Indian origin. The larger businesses are mostly in the hands of foreigners. The standard of living is low, and more than half the population may be classified as illiterate. Wages paid to middle and lower-class workers are very low, consequently the average purchasing power is not high.

LANGUAGE

The language of the country and of the business community is Spanish, but

English is also used in communications with English-speaking countries, and it is spoken to a considerable extent on the east coast in the Bluefields region.

NATURAL AND MINERAL RESOURCES

Nicaragua is essentially an agricultural country. The country produces coffee, bananas, sugar, cacao and cotton more or less extensively, although methods of cultivation are somewhat primitive. Corn, beans, potatoes, rice and tobacco are also grown in fair quantities, and cattle-raising is an important industry.

There are extensive mining deposits in Nicaragua, although gold is really the only metal exploited commercially, and Canadian corporations are financially interested in several large gold mining enterprises.

Forests are abundant and mahogany, ebony and other tropical woods and gums are exported. Rubber and coconuts are produced also.

INDUSTRIAL DEVELOPMENT

Sawmilling, sugar production and coffee processing are among the larger industries in the country employing a considerable number of workers. Nicaraguan coffee and cacao are both of excellent quality and, prior to World War II, were highly regarded in European markets. There are also a number of small-scale local industries turning out shoes, soap, candles, cigars, cigarettes, furniture, biscuits, beer and other consumer goods, but in general the quality and quantity of the local production is not high.

CURRENCY

The unit of currency is the cordoba, divided into 100 centavos. Since 1939 the official rate of exchange has been five cordobas to one United States dollar.

The metric system is in common use, although the alternative system of pounds, feet, etc., is also accepted.

BANKING

The National Bank of Nicaragua is the government bank, with the right

to issue currency. There are branches established throughout the Republic. The only foreign bank is the Bank of London and South America Limited, with an active branch in Managua. There are also two authorized private banking houses.

COMMERCIAL DISTRICTS

The chief towns in Nicaragua are Managua, Leon, and Granada. Managua, the capital, with a population of approximately 90,000, was almost entirely destroyed by an earthquake in 1931, but has since been largely rebuilt and is the most important distributing centre in the Republic. Leon, with a population of about 30,000, is connected with Managua by rail and is the centre of an important agricultural and cattle-raising area. Granada, also about 30,000 population, lies on the shores of Lake Nicaragua and may be reached by rail or road from Managua, about 36 miles away.

FOREIGN TRADE

The United States has always been the principal factor in the foreign trade of Nicaragua. In 1938 that country took 67 per cent of total exports, being followed by Germany with 15 per cent and the Netherlands and France with 3 per cent each. In that year, the United States supplied 60 per cent of the country's imports; Germany, 10 per cent; United Kingdom, 8 per cent, and France, 2 per cent. In 1942, the United States took over 95 per cent of all exports and supplied 77 per cent of the total imports. One-half of the exports was accounted for by gold. In 1944, gold exports totalled in value U.S.\$7,611,163 (49.4 per cent); coffee, \$3,734,032 (24.2 per cent); and rubber, \$1,078,096 (7 per cent). Total exports in 1944 were valued at U.S.\$15,412,444 and total imports at \$10,151,352.

Bananas were formerly an important item in the export trade of Nicaragua. In 1929 exports were valued at about two million dollars, but in 1942 this had dropped to fifty thousand dollars.

Nicaragua's principal imports are textiles, mostly cotton; machinery, of which equipment for the mines is an important classification; petroleum products; iron and steel products; chemical and pharmaceutical products; food products, notably wheat flour; trucks and automobiles; beverages; and many miscellaneous items.

QUOTATIONS AND TERMS

Quotations should be submitted preferably on a c.i.f. basis, although quotations f.o.b. New York or New Orleans are frequently acceptable. During the war most export business to Nicaragua has been on letter of credit terms, but it is expected that sight draft against documents will be the usual basis, and sometimes even credits of 30 to 60 days may be extended. Rates of commission received by local agents vary, according to the products handled, from 1 to 10 per cent.

IMPORT RESTRICTIONS

A new law to regulate trade in Nicaragua provides, *inter alia*, for the control of imports and exports and for the distribution and price fixing of scarce commodities.

Although the import trade is declared to be, in general, free, the essence of the law is not the abolition of control but a change in machinery. The chief modification appears to be the substitution of a deposit in cordobas for an import permit, except in the case of luxury or superfluous goods, for which import permits will continue to be required. Import permits are also required for goods under export control in Canada and the United States.

The exchange for luxury or superfluous goods is limited to 10 per cent of the total exchange available. After the importer has made his deposit and his order has been registered in the Banco Nacional and he has secured,

where applicable, the import permit, he may obtain a letter of credit or a sight draft from a bank. In special cases, the application may be registered against a credit from the exporting firm without the necessity of making the cordoba deposit.

A Nicaraguan Consul will not now be able to issue a consular invoice without the presentation of the importer's order form duly registered. A copy of the form must be produced for the Nicaraguan Customs.

For the purposes of the law, the following are considered as luxury goods: toilet articles, automobiles, jewellery, articles for games of chance, fancy buttons, preserved foods and sweets, cigarettes and cigars, calendars, footwear, cigarette-cases, flower-pots and vases, fresh fruits and meats, gramophones and records, liquors, beer and aerated drinks, furniture, playing cards, kraft wrapping paper, pianos and pianolas, hardware, radios and refrigerators, ready-made clothing, ladies' hats.

DOCUMENTATION

A consular invoice is required for shipments to Nicaragua, and eight copies should be furnished. Eight copies of the commercial invoice are also required, as well as three copies of the bill of lading and four copies of the certificate of origin. As the usual trade terms are sight draft against documents, the documents, together with bill of exchange, should be sent to a local bank for acceptance, and the bill of lading should be made out to the order of the bank. However, in the case of first-class importing houses, the documents may be sent direct to the importers.

Details of documentation requirements for shipments to Nicaragua are available in pamphlet form to interested Canadian firms on application to the Foreign Relations Division, Department of Trade and Commerce, Ottawa.

TRANSPORTATION AND COMMUNICATIONS

Shipping services during the war period have been inadequate, and long delays have been experienced in the movement and transshipment of cargo. However, it is expected that the Grace Line, United Fruit Company, and Panama Line will maintain their regular services, and British shipping lines trading in the Caribbean area touch at Bluefields and Puerto Cabezas. W. R. Grace and Company normally maintain a service from San Francisco to Corinto, the principal port of the Republic, situated on the Pacific 87 miles by rail from Managua.

There are some 400 miles of narrow-gauge railways in the Republic and about 1,500 miles of highways, but less than half this total is suitable for auto transport. The Nicaraguan section of the Inter-American Highway is 215 miles in length and will be the most important artery in the country.

Two air lines, the Pan American Airways and TACA, are in operation, the latter having local connections between the various centres.

Telephone, radio and cable services are available in Managua and the more important centres, but it is recommended that letters be sent by air mail only, as ordinary surface mail may take many weeks. Air-mail rates are 10 cents per half-ounce (U.S. currency) and parcel post 14 cents per pound, the maximum weight of a parcel being 44 pounds. There are no special regulations covering parcel post shipments and air express shipments, although the exchange control regulations must be complied with, and it is advisable to adopt any suggestions made by the consignee with respect to such shipments.

OPPORTUNITIES FOR CANADIAN PRODUCTS

Canadian products are not generally well known in Nicaragua, and apparently few Canadian firms have direct representation. The market is dominated by United States manufacturers and exporters, and a large part of the

limited Canadian trade is done through New York export houses and exports thus lose their Canadian identity in the customs returns.

The difficult exchange situation makes Nicaragua a rather unfavourable market, but a variety of Canadian products should find some outlet there. The most attractive possibilities are in paper of various kinds, wheat flour and wheat, agricultural implements, hardware and hand tools, mining equipment and supplies, drugs and chemical products, canned foods, rubber manufactures and numerous miscellaneous items.

Canada has no commercial treaty with Nicaragua and, as a result, there is some slight discrimination against Canadian products in the matter of tariff treatment. A reciprocal trade agreement is in force between the United States and Nicaragua.

SUMMARY

Nicaragua is not a difficult country to travel in and no special obstacles are placed in the way of tourists or commercial travellers. The most favourable season is the first three months of the year, when it is normally fairly dry and cool. There is a nominal municipal tax, which may be levied on commercial travellers, but it is not usually imposed. Samples may be brought in freely, a deposit being made with the Customs, which is refunded when the samples are taken out of the country.

With reference to trade marks and patents, registration is the basis of ownership and, in order to maintain validity of the registration, there is a proviso that at least one commercial shipment must be made annually. Canadian exporters should comply carefully with purchasers' requirements as to packing. Most duties are specific and are levied on the net weight, although some may be assessed on the gross weight. Certain articles are subject to ad valorem duties, and certain surtaxes are levied by the Customs.

UNITED KINGDOM TOKEN IMPORTS

It was announced in London and Ottawa on April 8 that, to facilitate the reopening of established trade connections, the United Kingdom authorities have agreed to allow token imports of certain categories of manufactured goods that have been excluded from the United Kingdom market as a result of the import licensing procedure of the United Kingdom Board of Trade. Such token shipments are to be restricted to manufacturers having a pre-war pattern of trade with the United Kingdom, and are to be limited to 20 per cent of the value of the manufacturer's average exports of each commodity during the base years 1936 to 1938.

As a first step in implementing this policy, goods in the categories covered by the accompanying list are eligible at once for token shipments from Canada. Supplementary lists of further goods will be announced from time to time.

To facilitate the issuing of import licences by the Board of Trade, the Department of Trade and Commerce has agreed to the following procedure:

- (a) Interested manufacturers should advise the Export Division, Department of Trade and Commerce, Ottawa, the quantity and value of each commodity eligible for token shipment and exported to the United Kingdom in the three calendar years 1936, 1937 and 1938. This advice should be submitted on forms which have been prepared for the purpose, copies of which are obtainable from the Export Division, Department of Trade and Commerce, Ottawa.
- (b) The Export Division will confirm to the manufacturers and advise the United Kingdom Board of Trade the amount of the quotas.
- (c) Having completed a sale, the exporter will apply to the Export Division, Department of

Trade and Commerce, for a certificate, known as a Token Shipment Voucher, on the form supplied to the manufacturer along with the notification of quota.

- (d) The Canadian exporter will forward to the United Kingdom importer the certified Token Shipment Voucher, which must be attached to the latter's import licence application in order to ensure the speedy issue of an import licence. This import licence application should agree with the certificate as to quantity. Token Shipment Vouchers will be issued to suit the convenience of the exporter and his customer as long as the total quantity is within the established quota.
- (e) Export agents or other intermediaries may apply for either a quota or a Token Shipment Voucher with the written approval of the Canadian manufacturer concerned.
- (f) It is not necessary to sell through pre-war sales channels.

Requests for the inclusion of goods in the supplementary lists of commodities eligible for token shipment procedure will be considered by the Board of Trade only if submitted through the Export Division, Department of Trade and Commerce, Ottawa. The submission should include 1936 to 1938 exports on the form described in (a) of the preceding paragraph. This data should be on sheets separate from those provided with respect to goods already eligible for token shipment.

First List of Canadian Commodities Subject to New United Kingdom Token Shipment Procedure

1. Jelly powder.
2. Carbon electrodes.
3. Paints and varnishes.
4. Industrial porcelain insulators.

5. Ladies' felt hats.
6. Artificial silk clothing.
7. Printed artificial silk woven fabric of a width exceeding 12 inches.
8. Papermakers' felts.
9. Toys and dolls (not hemp or rubber).
10. Waterproof rubber footwear of the following types: Men's short boots cleated, men's storm king cleated, women's short boots cleated, women's short boots varnished, misses' short boots varnished.
11. Rubber heels and soles.
12. Surgeons' rubber gloves.
13. Lawnmowers.
14. Cooking and heating appliances.
15. Anti-skid chains.
16. Furniture of metal (other than domestic furniture).
17. Locks and padlocks, keys and key blanks.
18. Oil lamps and lanterns for illumination.
19. Cutlery (types as currently manufactured in the United Kingdom).
20. Mechanical valves.
21. Zip fasteners.
22. Films for photographers' use.
23. Vacuum cleaners and parts.
24. Dry batteries (torch).
25. Dry batteries (high tension).
26. Spark plugs.
27. Domestic woodware (clothes pegs, etc.).
28. Brushes.
29. Imitation jewellery.
30. Toilet preparations: tooth paste and powder, lipstick and rouge, face powder, vaseline preparations, hair tonic and brilliantine, other cosmetics.
31. Toilet requisites.
32. Ice skates, roller skates, ice hockey equipment and other sports (e.g. tennis, badminton, golf, squash, etc.) equipment.
33. Fountain pens and parts.
34. Propelling pencils and parts.
35. Acetate buttons.
36. Lighter flints.
37. Bee-hives and frames.
38. Synthetic rubber belting other than conveyer belting.

Items 1, 6, 7, 19 and 37 are subject to production specifications.

Items 1, 6, 7, 10, 13, 19, 21, 24, 33 and 36 are subject to price control.

Details as to production specifications and price control may be obtained from the United Kingdom importer or from the Export Division, Department of Trade and Commerce, Ottawa.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Canadian Trade Commissioner at Sydney, writes under date February 14 that the following amendments, covering imports from elsewhere than sterling areas, have been effected to the Australian Customs (Import Licensing) Regulations as from January 1, 1946:—

Licences to import medicinal paraffin oil of non-sterling origin, classifiable under Tariff Item 229(1), are to be granted on the basis of an annual quota amounting to 110 per cent of the quantity imported in the base year ending June 30, 1939.

Gloves under Tariff Item 113(B) have been placed under administrative control, i.e. each application for an

import licence will be considered on its merits.

Watches and watch movements, classifiable under Tariff Items 318(A) (4) (a) (1) and (2), 318(A) (4) (b) (1), 318(B) (2), and 318(B) (3) (a) and (b), may now be permitted entry from non-sterling sources up to 100 per cent of base-year imports. The cases are to be of metals other than gold, platinum or silver.

Imports of olive oil items, classified under Tariff Items 229(H) (2) and (3), are now admissible from non-sterling areas up to 25 per cent of base-year imports.

Undressed fur skins, importable under Item 4F Unspecified, are admissible to the extent of 25 per cent of the amount imported in the year ending June 30, 1939.

PRIVATE TRADE BETWEEN CANADA AND THE NETHERLANDS

The Netherlands Government has announced that an Import Permit Department has been set up at The Hague. The Department is now granting a limited number of import permits, which will enable Dutch importers and Canadian exporters to resume at least token business on a more normal basis than has been possible during and since the war.

The procedure adopted is for the Netherlands importer to obtain from his Canadian connection "pro-forma invoices" (offers of sale) showing the present price of goods for export and that prevailing during 1939, together with a statement that the material is, or will be, available for export on a definite date. These invoices are submitted to the Import Licensing Department and, if the commodity is considered essential to the rehabilitation of the economy of the country, then authority to import is granted. The order is placed by the Netherlands Economic Mission in New York with

the designated Canadian exporter, who should submit his invoices direct to the Netherlands Economic Mission. The material is consigned to the holder of the import licence, care of the Netherlands Government Bureau concerned and, after its arrival, the merchandise is handed over to the Dutch firm for distribution.

Payment for goods exported to the Netherlands under this procedure may be accepted in Canadian dollars from the Netherlands Economic Mission or other official agency of the Netherlands Government. Except where payment is received from an official agency of the Netherlands Government or from a department or agency of the Dominion Government, payment for all exports to the Netherlands should be obtained in United States funds.

It will be in order, therefore, for Canadian firms to submit offers of sale to private importers in the Netherlands and to reply to trade inquiries originating from Netherlands private firms.

POSTAL SERVICES AND RATES

PARCEL POST SERVICE TO CERTAIN COUNTRIES EXTENDED

The Post Office Department announces that, effective immediately, the parcel post service from Canada to certain countries, which was previously limited to gift parcels, has now been extended to include commercial parcels. There will be no change in the present parcel post rates except that for commercial parcels weighing over 10 and up to 20 pounds the following postage rates will apply:

	Parcels weighing over 10 lb. up to 15 lb.	Parcels weighing over 15 lb. up to 20 lb.
Belgium	\$3 00	\$3 50
British North Borneo...	7-lb. limit	
Brunei	7-lb. limit	
China (except Manchuria and Provinces of Shan- si, Suiyuan and Cha- har)	11-lb. limit	
Czechoslovakia	2 50	
Denmark	3 25	3 75
	3 50	4 00

	Parcels weighing over 10 lb. up to 15 lb.	Parcels weighing over 15 lb. up to 20 lb.
Finland	4 25	4 75
France	3 00	3 75
Guam	1 75	15-lb. limit
Hong Kong	3 75	4 25
Luxembourg	3 00	3 75
Malay States	4 00	4 50
(Federated and Unfederated)		
Netherlands	3 00	3 50
Norway	3 25	4 00
Philippines	2 75	11-lb. limit
Poland	3 50	4 00
Sarawak	7-lb. limit	
Straits Settlements ...	4 00	4 50
Sweden	3 50	4 25
Switzerland	2 75	3 50
Yugoslavia	4 00	11-lb. limit

It has not as yet been possible to make arrangements for the acceptance of commercial parcels to Greece and Italy. It should be specially observed that for gift parcels, the latest regulations issued in each case and the special 11-pound postage rate will still apply for the present. However, gift parcels weighing over 11 pounds will be subject to the same rates of postage applicable to commercial parcels weighing over 10 pounds.

In accordance with the regulations of the British Postal Authorities the 11-pound weight limit still applies to gift parcels for Great Britain.

Commercial parcels may be insured to Norway, Sweden and Hong Kong only.

Commercial parcels for China, Guam, the Philippines and Yugoslavia are forwarded via the United States and are, therefore, subject to their regulations, which are as follows:—

China: 11-pound weight limit; not more than one parcel per week is permitted from any one mailer to the same addressee.

Guam: 15-pound weight limit; normal service.

Philippines: 11-pound weight limit; size, 18 inches in length or 42 inches in length and girth combined; not more than one parcel per week is permitted from any one mailer to the same addressee.

Yugoslavia: Not more than one parcel per week is permitted from any one mailer to the same addressee; 11-pound weight limit.

Many articles may be subject to the production of an import licence in the country of destination, and shippers would be well advised in their own interests to ascertain from the addressee under what conditions the articles they intend to forward are admitted, also that all requirements have been complied with both in Canada and at destination.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations	Nominal Quotations
		Apr. 1	Apr. 8
Argentina	Peso	Off. .3282	.3282
		Free .2685	.2690
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica).	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa	Franc	.0092	.0092
French Empire—African.....	Franc	.0157	.0157
French Pacific possessions.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	....	.0048
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	....	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).

Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.

Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 9, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

BUSINESS CONDITIONS IN SOUTH AFRICA IN 1945

I

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Business as a whole continued favourable in South Africa during 1945, although adversely affected by conditions resulting from scarcities and restrictions arising out of the war. Agriculture suffered from severe drought and, in common with many other parts of the world, the Union of South Africa has become short of food, especially for the natives, and very short of animal feedstuffs.

Domestic Trade

Christmas shopping in the cities of South Africa was marked by continued strong buying demand, which brought turnover in many lines to the highest levels recorded since before the war. Full requirements were rarely met, owing to the shortage of supplies. However, the flow of imports, although irregular, has been reasonably good and has been an important factor in contributing to the strong upward movement in retail sales; an additional factor has been expenditure by returned servicemen. In rural areas, and in urban centres dependent on farming communities, it has been evident that the volume of business was below normal in many cases, possibly because of the severe drought.

Although many additional items of imported merchandise have expanded the range and variety of stocks of consumers' goods, the actual improvement is still only moderate and the percentage of commercial consignments for consumer sale has been relatively small in comparison with the tonnage of general cargo landed. Wholesalers are still working on narrow stock margins, particularly in piece-goods.

It is not anticipated that supplies of imported raw materials will be

freely available for the production of domestic equipment of various types for some time and it is therefore unlikely that there will be any sharp upward trend until there is general improvement in the volume of imports and the shipping position becomes easier. The removal of most import restrictions, including the need for certificates of essentiality, has been helpful, even though not bringing any marked immediate increase in imports.

External Trade

Some preliminary figures of overseas trade in 1945 have been made public. As compared with the 1944 total, there has been an increase of £17 million in the value of imports and £14 million in the value of exports, not including gold and wool.

The value of imports of merchandise totalled £102 million in 1945. The principal increases over the 1944 figures were: United Kingdom, up £8 million to £32 million; United States, up £10 million to £28 million; Canada, up £3 million to £6 million; and Brazil, up £1 million to £5 million. Among the larger decreases were: India, down £4 million to £7 million; Argentina, down £1 million to £3 million; Belgian Congo, down £1 million to £2 million; and Southern Rhodesia, down £2 million to £1 million.

The value of exports, other than gold and wool, amounted to £61 million in 1945 as compared with £33 million in 1943.

Gold Mining

The output of the gold mines in 1945 totalled 12,213,545 fine ounces, of which the declared value was £105,-

189,155, including premium at the revised price of 172s. 3d. per fine ounce applied retrospectively to the beginning of the year. The comparative figures for 1944 were 12,277,228 fine ounces valued at £103,128,715.

Group profits for 1945 amounted to £30,810,634 as compared with £32,583,088 in 1944, while the dividend declarations for 1945 totalled £12,505,386 as compared with £13,058,422 for the previous year. Working revenue rose by £2,224,214 to £101,847,382, but working costs also rose by £3,259,119 to £69,941,061, thus yielding a working profit of £31,906,321 or £1,034,905 less than in 1944. The quantity of ore milled in 1945 increased by 392,200 tons to 58,897,600 tons, though the average yield per ton was 3.997 dwts., which is 0.042 dwts. less than in the previous year.

MINING RESEARCH INSTITUTE

Early in 1946 the Government introduced the Deep Level Mining Research Institute Bill, which provides for the establishment of an Institute to investigate deep-level gold mining in order to extend the limits to which ore may be profitably exploited and to safeguard the health and ensure the safety of those engaged in such work. The Board of Management is to comprise nine members, with the Government Mining Engineer as chairman. Three members will be appointed by the Minister of Mines, three will be nominated by those engaged in mining who contribute to the funds of the Institute, one will be nominated by the Council for Scientific and Industrial Research and one will be appointed by the Minister after consultation with mining organizations. It is the objective of the Institute to invent, discover, improve, develop and adopt such methods of mining and such processes and apparatus as may be expected to extend the limits to which ore may be fully exploited. To this end the Institute will be given power to establish laboratories and workshops, to co-operate and enter into agreements with any mining undertaking, university,

scientific institute, etc., and to publish reports on its work. The rights in all inventions and improvements will be vested in the Institute and may be made available for use in mines, subject to such conditions and fees as may be determined. The Institute will be given power to enter any part of the working places of any mine in South Africa to make tests and investigations.

Industry

Industrial activity during the year-end holiday period was at a seasonally low ebb because most factories were closed. Nevertheless, orders accumulated very quickly during the recess and nearly all factories have been busy since the New Year, although output is still restricted by shortage of imported raw materials.

Since the end of the war comparatively little change has been apparent in the general position of industry, which continues generally well engaged. Engineering shops may be less actively employed, but it is of interest to note that a number of foundries are contemplating production of some classes of mining machinery to take advantage of the spread of wider mechanization. Clothing factories are busy despite difficulties in replenishing stocks; the actual volume of production is still less than before the war but the financial turnover is some 50 per cent higher. The footwear industry is working almost to capacity, but there is a shortage of sole leather.

It is interesting to note that, in one or two lines, even the trickle of imports has already resulted in efforts to improve the quality of the locally manufactured article to compete with overseas goods. It is worth remembering that in South Africa the normal problems of economic development are complicated by two additional factors: firstly, only a thin stratum of the whole population is responsible for most economic activity and, secondly, the population comprises four racial types—whites, coloured, natives and Asiatics.

Recognition of competition from overseas, which South African industrial production is encountering, is implicit in the Government's stated intention of affording industry some protection against competition during the postwar transition period. The proposed measure will make provision for temporary special duties on imported goods, similar to goods produced in South Africa, if it is evident that such goods are being imported at a price and in quantities that may lead to the discontinuance of South African production of goods of similar kind. Such duties will be additional to normal duties, but it is not intended that they should remain in force for more than two years from the date of introduction.

The industrial development of South Africa is receiving increasing attention from abroad and there is an evident interest by overseas concerns directed to the establishment of new industrial ventures or expanding existing ones. This development can reasonably be expected to bring about not only a higher degree of stabilization of the need for labour but also an expansion of factory technique and efficiency.

Building

The inadequacy of timber supplies and also of builders' hardware, as well as the shortage of the necessary artisans, are all factors restricting the fuller extension of building activity. It is very unlikely that any immediate relief will be forthcoming in timber supplies from abroad for some time and South African forest resources are very limited and the local varieties are only partially applicable to construction.

In the House of Assembly on February 8, 1946, the Minister of Public Works stated that 31,525 building permits had been issued from the introduction of building control to the end of 1944, and that 22,476 were issued during 1945. He stated that 50,713 of the permits have been taken up and that approximately 30,000 houses, in-

cluding additions to houses, were completed between the introduction of building control and the end of 1945.

Cattle Stocks

The Minister of Agriculture issued a statement early in 1946 drawing attention to the fact that, during the six years of war, the demand for meat in South Africa was so great that $7\frac{1}{2}$ years of cattle supplies and $6\frac{1}{2}$ years of sheep supplies were slaughtered in addition to heavy losses from droughts and disease. Illustrating this point he stated that in 1934 slaughterings totalled 551,000 cattle, 2,400,000 sheep and 194,000 pigs, while in 1945 the abattoirs handled 906,000 cattle, 3,600,000 sheep and 594,000 pigs.

Cereals

The Minister of Agriculture also stated that the consumption of wheat, corn and other cereals increased steadily during the war years, while the supply position did not keep pace. He pointed out that South Africa has always been dependent to a considerable extent on importations of wheat and this was especially marked, owing to the poor crops, in 1944-45 and 1945-46. The standard brown loaf has been compulsory since early in the war and limits have been placed on the use of flour for cakes and the use of unsifted meal for baking bread.

Corn is consumed in larger quantities than in pre-war years as a result of the expansion of feed-using industries, such as the production of pigs, poultry and dairy cattle. Also, particularly in the past year, the corn position has been affected seriously by droughts. In 1939-40, the record crop year for corn, South Africa consumed 16 million bags (about 53 million bushels), of which 10 million were used on the farms by the producers and 6 million went through the trade. This left a balance of 12 million bags (about 40 million bushels), which was exported. In 1944-45 consumption totalled 20,250,000 bags, without rationing, and in the 1945-46 season strict rationing had

to be applied because both the crop and the carry-over were small. Considerable quantities were imported from neighbouring African territories and from Argentina. The inadequate supplies against increased consumption have entailed hardship.

The feeding demand for oats and barley has increased by leaps and bounds, particularly with the rationing of corn and the shortages of alfalfa and hay. The last season's production of these grains, though adequate for essential food manufacturing purposes, left only very small surpluses (75,000 bags of barley and 250,000 bags of oats) available for feeding. Consequently endeavours have been made to obtain supplies from overseas and over 450,000 bags of oats have been purchased in the United States, but substantial further quantities are needed.

Other Foods

SUGAR

As in other sugar-cane producing countries, production in South Africa developed rapidly after the last war, reached its record of 596,000 tons in 1939-40 and has remained in the neighbourhood of 600,000 tons until it dropped to 553,074 tons in 1945-46. Consumption in South Africa increased from 200,000 tons in 1931 to more than 450,000 tons in 1944 and an estimated 478,000 tons in 1945-46. Much of this increase is accounted for by expansion of output by the food-canning industry.

CANNED FOODS

Although tinplate quotas and regulations still remain, it has been possible to authorize increased supplies of canned foods for distribution in South Africa and in the canning year 1944-45 there were 39 million pounds of jam delivered as compared with 30,500,000 pounds in the previous season. It is hoped that greater quantities will be available in 1945-46 up to the limit the market can absorb. Canned fruit deliveries totalled 6,600,000 pounds in 1944-45 as compared with 4,900,000

pounds in the previous season, and it is hoped that no less than 10 million pounds will be available in 1945-46. The deliveries of canned vegetables increased very substantially from 1,400,000 pounds in 1943-44 to 9,400,000 pounds in 1944-45 and the canning industry is believed now to be in a position to supply the basic requirements of South Africa.

BUTTER AND CHEESE

Butter consumption in South Africa, with distribution on a basis of 50 per cent, is as high as in the days of unrestricted supply before the war. In 1939 the weekly consumption of creamery butter in South Africa was 660,000 pounds and that of cheese was 198,000 pounds; a further 230,000 pounds of farm butter was made and used each week. Even with 50 per cent rationing in force, weekly consumption now amounts to 640,000 pounds of butter and 190,000 pounds of cheese.

Total production in 1938-39 amounted to 48 million pounds of creamery butter and 14,800,000 pounds of factory cheese, of which 13 million pounds and 4,500,000 pounds respectively were exported. During the war the position changed entirely, owing to requirements for military purposes, ships' stores, neighbouring African territories and, above all, the heavy increase in domestic consumption. The export surplus disappeared.

The dairy industry has experienced three adverse seasons in succession: in 1944 the production of green winter feed was a failure; in January and February, 1945, there was a drought; from November, 1945, to January, 1946, there was an even worse drought, when production of industrial milk and butterfat dropped to about half that of the previous season. The production of condensed milk has followed a similar course: as the demand increased during the war, production increased from 27,900,000 pounds in 1939 to 31,300,000 pounds in 1942-43, but since then adverse climatic conditions have reduced the output to 26 million pounds in 1944-45.

EGGS

The quantity of eggs purchased and held in cold storage under the Government Purchasing Scheme amounted to 90,600 cases at the end of 1945, exceeding the quantity held at the end of the previous year by one-third. Release would ordinarily begin only about the end of February but, with the prevailing shortage of meat and corn, release was started a month earlier.

TEA CONSUMPTION

In 1945 the allocation of tea to South Africa amounted to 13,500,000 pounds and an equal quantity has been allotted for 1946. Strong representations have been made to have the amount increased to 18,000,000 pounds, but no decision has been reached. Deliveries against the 1946 allocation are

South African Land Transfers

	1939	1940	1941	1942	1943	1944	1945
Properties transferred	9,350	8,290	8,624	10,298	12,383	14,886	14,513
Area transferred (000's of morgen*)	8,052	6,689	6,202	7,630	8,843	9,224	7,973
Average price per morgen	£1.964	1.878	2.047	2.184	2.575	3.327	3.702
Total sales values (000's of pounds)	£15,810	12,561	12,698	16,661	22,770	30,688	29,51£

* One morgen of land equals 2.11654 acres; ordinary conversions can be made by using 2½ acres equal one morgen.

not expected to arrive until August and it is possible that the gap created by this late delivery may not be filled.

Soil Erosion

Undoubtedly the most serious problem affecting agriculture in South Africa is the tremendous soil erosion which has spread from year to year. The Government is taking additional steps to combat this menace and has encouraged the establishment of university courses dealing with the subject. Early in 1946 a statement was made that, within the next five years, £10 million would be spent on the construction of dams for the irrigation of a substantial acreage of land in the Orange Free State. The first of these, on which a start will soon be made, will be on the Vet and Sand Rivers; this development will take about two

years. Afterwards a £6-million diversion dam will be built on the Caledon River at Ficksburg. It is expected that these works will assist not only farm communities but also municipalities and the new gold-mining areas in the Orange Free State, as well as possibly developing secondary industry. The Director of Soil Conservation and Extension has pointed out that the enormous task of saving the soil of South Africa would involve an expenditure of about £100 million in the next 20 to 25 years.

Transfer of Farms

During the war there has been a considerable investment in farm lands, which is summarized in the following table showing total transactions in each of the past seven fiscal years ending March 31:—

Land and Agricultural Bank of South Africa

With reference to the general agricultural position, some data from the operations of the Land and Agricultural Bank of South Africa are noteworthy. At the close of 1945 the capital amount owing to the bank in respect of mortgages, fencing, dipping tank, water supply, silo, and cash credit advances to farmers was £18,830,611. During 1945 the Bank received 3,514 applications, representing £5,153,447, for advances on mortgages. The capital repayments made by farmers to the Bank since 1940 have substantially exceeded the demand for long-term investments, with the result that the Bank, since 1941, has been able to repay the Treasury £3,500,000 in respect of capital, and for the same reason the Bank has not found it neces-

sary to avail itself of parliamentary votes placed at its disposal since 1940.

A total of £6,547,476 was advanced to co-operative organizations during the corn season for purchases made on behalf of the Mealie Control Board.

NEW TRADE COMMISSIONER OFFICES

As rapidly as conditions permit and personnel arrangements can be made, new offices of the Trade Commissioner Service are being opened, and offices that were closed during the war are being reopened.

An up-to-date directory of all offices abroad is published on the back pages of each issue of the *Commercial Intelligence Journal*, and readers may have observed that the following offices that were closed during the war have been reopened under the supervision of the trade officials indicated:—

Belgium (Brussels): B. A. Macdonald.

China (Shanghai): Acting Trade Commissioner, *pro tem*.

France (Paris): Yves Lamontagne.

Netherlands (The Hague): J. A. Langley.

Norway (Oslo): S. G. MacDonald.

A new office at Lisbon, Portugal, with territory including the Azores,

During the wheat season the co-operatives owed the Bank £1,440,119. In order to enable the Citrus Board to finance the marketing of citrus crops in 1945, the Bank granted a cash advance of £2,186,712.

Madeira, Spain, Spanish Morocco, and Canary Islands, was opened early this year by L. S. Glass.

Trade Commissioners recently left Canada to open new offices in Sweden and Venezuela, and their addresses will appear in the directory as soon as quarters have been established. Meanwhile correspondence concerning these territories may be addressed to the Foreign Trade Service of the Department at Ottawa. Communications requiring investigation by the Trade Commissioners will be referred to them when the offices have been established. The officers assigned to these two posts are:—

Sweden (Stockholm): F. H. Palmer.

Venezuela (Caracas): C. S. Bissett.

Plans for the reopening of other offices, and the opening of additional new ones, are well advanced, and announcements concerning them will be made in due course.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting, or about to visit, the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Attaché at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who is being transferred to Santiago, Chile (territory includes Bolivia).

Their itineraries as presently arranged are as follows:—

Mr. Allen

Montreal—Apr. 22 to 24.

Vancouver and Victoria—May 13 to 22.

Mr. Mutter

Edmonton—Apr. 22.

Hamilton—Apr. 25.

Ottawa—May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Montreal with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

SHIPMENTS FOR BELGIUM

The attention of Canadian exporters is directed to the requirement that, in order to obtain allocation of ocean freight space, information covering all shipments of goods to Belgium must be referred to the Belgian Economic Mission, 3540 Mountain Street, Montreal, P. Q.

In cases where Canadian suppliers receive direct purchase orders from buyers in Belgium, they must submit a copy of the Belgian import permit with copy of the actual order to the Belgian Economic Mission, Montreal, in order that necessary ocean space may be allocated.

DEVELOPMENT AREAS IN SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

Scotland has been mainly dependent on the heavy industries and on the manufacture of jute, linoleum and textiles, and it has long been foreseen that it was desirable, and perhaps necessary, to set up other industries, particularly light engineering industries, in order to establish a better balance with the heavy industries which, largely dependent as they are on export trade, are the first to feel the effects of a slump in world trade and the last to recover. The light industries, catering mainly for the home market, are less affected by overseas influences. This was clearly demonstrated during the depression years which set in about 1931 and lasted, despite gradual improvement, until nearly the beginning of the war.

As pointed out in an article entitled "Development Areas in Scotland", published in the *British Board of Trade Journal*, it is common knowledge that the skill of Scottish engineers is traditional and has played a great part in Scottish industry in the shipyards of Clydeside. During the war the yards worked to capacity to meet the demands for ships (war and cargo) to keep Britain in the fight and to bring men and materials to her aid. But this was only a fraction of her effort. During the peak period of production, at one centre alone—the Hillington (Renfrewshire) factory (near the Hillington Trading Estate referred to later) of the Rolls-Royce Company—more than 20,000 people were employed night and day turning

out Merlin aero-engines for Spitfires and other aircraft. The same engineering skill has played an important part in the development of the Hillington Trading Estate, where many light engineering firms contributed to the needs of war and now are equally valuable for peacetime production.

EXTENT OF DEVELOPMENT

A start on the industrial re-development of Scotland was made in the pre-war years with the passing, in 1934, of the Special Areas (Development and Improvement) Act. As a result, two companies, Scottish Industrial Estates Ltd., and Lanarkshire Industrial Estates Ltd., were formed, on a non-profit-making basis, under the sponsorship of the Commissioners for the Special Areas (formerly called the distressed areas) to stimulate industrial development. A trading estate was started at Hillington (near Glasgow), and one million square feet of factory space has since been provided there. Three smaller trading estates were started at Carfin, Chapelhall and Larkhall in Lanarkshire. The aim was to promote a diversity of industry complementary to the heavy industries.

The efforts of the Trading Estate companies were successful. At Hillington alone, 93 factories are making a wide variety of products, among them many light engineering industries such as electric welders, machine-tool makers, insulation specialists and mak-

ers of road and quarry plant. There are also manufacturers of canned soups, toilet accessories, boiled sweets, fruit juices, custard powder, synthetic cream, bitumen compounds, cellulose lacquer, and aeroplane dope; firms who specialize in vulcanizing tires, metal wools, aluminum products, bacon curing, confectionery, felt, scarves, showcases, remelting scrap aluminum, advertising films, and so on.

Mention has already been made of the Rolls-Royce Company who, shortly before the war, took over a site adjoining the Hillington Estate and ultimately built nearly two million square feet of factory space. Now that the production of Rolls-Merlin engines has slowed down, a considerable part of the factory is to be devoted to other uses. The Scottish Co-operative Wholesale Society and the Hoffman Manufacturing Company of Chelmsford, makers of ball bearings, are each taking over 134,000 square feet of space. The decision of the Hoffman Company, whose interests have hitherto been in the south of England, where many districts are over-industrialized, is significant of the trend towards a redistribution of industry. Space at the

Rolls-Royce works has also been taken by Atholl Steel Houses and M. Wiseman Limited. Other allocations at this factory are expected to be announced shortly.

After a brief account of new or existing factories in the area built or turned over for the production of munitions during the war, and similar developments in Dundee where former jute workers acquired valuable experience in other types of industrial processes, the article goes on to say that, with the change from war to peace, many new developments are taking place in both the Scottish Industrial Belt and Dundee. The existing trading estates at Hillington, Carfin, Chapelhall and Larkhall are being extended, and new estates are planned at Newhouse, Port Glasgow, Greenock, Kilmarnock, Kilwinning, Renton, Blantyre, and Dundee.

The new industries that are opening up in the Scottish area cover a wide field of production—much too diversified even to enumerate. The factory building schemes for the Scottish Industrial Area that have been approved up to January 1, 1946, number about 66.

WORLD WHEAT SITUATION

From the monthly review in the *Dominion Bureau of Statistics Bulletin*

The over-all position with respect to wheat has varied little during the past month. Supplies to date have been coming forward more or less in accordance with past commitments. No change has been made in the estimate of the world's exportable surplus of 11 million to 12 million long tons, but a recheck of deficit areas indicates that the estimate of requirements of over 17 million long tons quoted last month should be revised upward by at least 20 per cent. The failure of the Indian Monsoon, the droughts which struck France and North Africa, the lack of adequate fertilizer supplies, and the dislocations occasioned by war took a heavy toll of food production in Europe, Asia and Africa last year. This, combined with below-average

crops in three of the four large exporting countries, inevitably brought about the current shortage. The United States Department of Agriculture's Office of Foreign Agricultural Relations states that the 1945 world wheat production of 5,200 million bushels was the smallest since 1929 and 8 per cent less than in 1944.

Further programs intended to reduce domestic consumption of foodstuffs, thereby providing additional exportable supplies, have been announced by both the Canadian and United States Governments. Canada hopes to increase her available exportable surplus by reducing the amount of wheat used by distillers and millers, by encouraging conservation practices, and by offering certain concessions to farmers

which will permit them to deliver their old wheat now and take cash settlement any time in 1946, 1947 or 1948. President Truman has established a Famine Emergency Committee to draw up recommendations and to institute programs designed to reduce appreciably the quantities of wheat, fats and oils used by householders and by hotels, restaurants and other members of the public-feeding industry.

The United States Crop Reporting Board states in a release of March 20 on prospective plantings for 1946 that "farmers are responding to the currently heavy peacetime demands upon them and their farms in much the same manner that resulted in four successive seasons of heavy wartime production. An acreage of principal crops equaling the relatively high level of recent years will be planted this year if weather permits farmers to carry out their plans as reported in March to the Crop Reporting Board. Producers anticipate that they will have to contend with more than usual difficulty with respect to certain major factors essential to their operations, chiefly in the matter of adequacy of the supply of hired labour and new machinery for replacements".

In a report issued by the Argentine Ministry of Agriculture, the exportable wheat surplus, as of February 15, was placed at 69.7 million bushels. When compared with the January 15 estimate of 69.4 million bushels and making allowance for 2.5 million bushels exported during that four-week period, it will be noted that an upward revision of nearly three million bushels was made.

As in the case of Argentina, Australian wheat prices to farmers may be a deciding factor in the acreage sown to wheat this year. The acreage goal has been set at 15.5 million acres, but private opinion doubts whether this can be achieved unless prices are raised substantially. Australian exports since the first of the year have averaged nearly a million bushels a week, all to non-European destinations.

In their endeavour to prevent widespread starvation in Europe, Canada and the United States are exporting wheat as quickly as ocean and rail transport can be made available. So far there has been no substantial assistance from Australia, Argentina, Russia or the Balkans, and European supplies are running very short. It is reported that Italy will add 20 per cent of oat flour to the standard bread flour and that Belgium is going to mix wheat and rye flour for bread-making. France expects some wheat from Russia to help maintain her present bread ration until the home crops are harvested in August.

European crops of winter wheat appear much more favourable than they did a year ago. With larger acreages and some improvement in fertilizer supplies, it is expected that the out-turn may be considerably larger this year. Beneficial rains in the Mediterranean area have dispelled all fears of drought for this season and, as these crops are harvested much earlier than in the more northern sections, it should be possible to reduce shipments now being made to these areas before the end of June or July.

ECONOMIC, TRADE AND PRODUCTION NOTES

Brazil

INITIAL PRODUCTION OF VOLTA REDONDA PLANT

Production of the Volta Redonda plant, which was to start operations in March, is estimated at 300,000 tons of steel for 1946, according to press reports. Ultimately production is expected to reach 1,000,000 tons.

Denmark

MAKING EXPORT FURNITURE ON NEW PRINCIPLE

A number of Danish furniture manufacturers have formed an export association for the purpose of developing the export of Danish furniture, according to the *Danish Foreign Office Journal*. Serial production is being taken

up on new principles, all the individual pieces of furniture, except chairs, being assembled without the use of screws, glue or fittings of any kind. In most cases they are so constructed that they can be stacked inside one another and thus do not take up much space for transport. The furniture is made of Danish beechwood and of beech ply-wood.

MILKING MACHINES ON FARMS

According to a provisional census covering 210,000 farms, milking-machines are now in use on about 30,000 Danish farms as compared with 3,600 in 1936, states a foreign press report. Tractors are employed on 13,000 farms and electric motors on about 121,000.

South Africa

UNITED KINGDOM FOOD MACHINERY MISSION

A mission from the United Kingdom recently visited the Union of South Africa and Southern Rhodesia to ascertain the requirements of those countries for food and chemical machinery and for the purpose of promoting trade relationships with the United Kingdom, reports H. L. Brown, Canadian Trade Commissioner at Johannesburg. The mission was composed of Mr. E. H. Gilpin, chairman of the Food Machinery Industrial and Export Group; Mr. Norman Neville, O.B.E., director of the same group and of the British Chemical Plant Manufacturers' Association; and Mr. F. C. Fitzpatrick of the Amalgamated Engineers' Union. The mission directly represents the United Kingdom Food Machinery Industrial and Export Group, which is divided into the following sub-groups: Bakery and Biscuit Plant, Brewing and Mineral Water Machinery and Allied Plant, Canning Machinery, Chocolate and Sugar Confectionery Machinery, Dairy Equipment, Food Machinery (Miscellaneous), and Grain Machinery.

Sweden

PAPER EXPORTS AND PRODUCTION IN 1945

Preliminary figures for 1945, cited in *The World's Paper Trade Review*, indicate that Swedish exports of paper and cardboard totalled about 230,000 tons. This figure compares with 500,000 tons of paper and 65,000 tons of cardboard in 1939. Production of paper and cardboard in 1945 was about 750,000 tons, an increase of 100,000 tons over 1944, and about 75 per cent of capacity. The output of newsprint is estimated to have been approximately 210,000 tons; kraft paper, 160,000 tons; sulphite and greaseproof paper, 100,000 tons; fine papers, 85,000 tons; and cardboard, 115,000 tons.

United Kingdom

PRODUCTION OF FERTILIZERS

Production of superphosphate in the United Kingdom and Northern Ireland reached its highest recorded monthly level in October, 1945, at 88,100 tons. Over the war years there was a progressive increase in output, and the rate has accelerated since the termination of hostilities, the average monthly production last year rising to 75,800 tons as compared with a figure of 38,900 tons ten years earlier. Consumption has likewise increased, of course, reaching a monthly average of 79,300 tons last year as compared with 42,800 tons in 1935.

Output of compound fertilizers averaged 96,500 tons a month in 1945 as compared with 66,900 tons in 1941 and the peak figure of 99,700 tons in 1944. Consumption rose from a monthly average of 65,700 tons in 1941 to 95,200 tons in 1945.

In terms of nitrogen content, production of nitrogenous fertilizers rose from an average of 10,410 tons a month in 1940 to 17,430 tons in 1943, dropping slightly to 16,260 tons last year. Consumption moved from 9,390 tons a month in 1940 to 17,090 tons in 1943 and 16,700 tons in 1945.

TRADE REGULATIONS AND TARIFF CHANGES

New Zealand

IMPORT LICENCES EXTENDED

Mr. C. B. Birkett, Canadian Trade Commissioner at Auckland, advises that, owing to the continued difficulty being experienced by importers in obtaining prompt execution of orders placed overseas, the Acting New Zealand Minister of Customs has announced an extension of import licences, similar to that in respect of previous periods, for the 1945 period.

The 1945 licences were made valid for imports up to June 30, 1946, in respect of firm orders placed overseas before November 1, 1945. It has now been announced that, where it can be established that a firm's orders have been placed overseas under a 1945 licence not later than November 1, 1945, and if the goods do not arrive in New Zealand by June 30, 1946, Collectors of Customs may grant a 1946 licence valid for imports up to December 31, 1946, provided the 1945 licence under which the goods were ordered is surrendered.

This arrangement does not apply to the 1945 licences issued in substitution for 1944 licences which were valid for imports until January 31, 1946.

British Guiana

QUOTAS FOR POST-CARDS FROM CANADA

The Controller of Supplies and Prices of British Guiana announced on March 4 that quotas will be granted for the importation from Canada of a limited quantity of post-cards with local views. Quotas will be based on imports during the years 1938 and 1939.

United States

DUTY-FREE QUOTA FOR RED CEDAR SHINGLES

In accordance with a United States Act of July 1, 1940, providing for the

exercise of the right with respect to red cedar shingles that is reserved in the Canada-United States trade agreement of November 17, 1938, the United States Bureau of Customs announced on April 2 that the quantity of red cedar shingles entitled to exemption during the calendar year 1946 from the duty of 25 cents per square, imposed by the Act of 1940, is 1,396,423 squares; the 1945 quota was 1,727,242 squares.

Mexico

DUTIES CHANGED ON ARTIFICIAL SILK

Mr. D. S. Cole, Commercial Counsellor, Canadian Embassy, Mexico, advises that a Mexican decree, published March 9, 1946, and effective ten days later, amends the duties on a number of kinds of artificial silk yarn, thread and tissues, both pure or mixed with other fibres. In most cases substantial increases in duty are made, but for some goods duties are reduced. On yarn made only of artificial fibres with filaments the length of which does not exceed 20 centimetres the duty is reduced from 5.30 to 2.50 pesos per kilogram. The duty on thread made of artificial fibres is increased from 4.90 to 5.30 pesos per kilogram. A new item has been set up providing for duty-free entry of tissues made of plastic rigid fibres of a single filament, the diameter of which does not exceed 2 millimetres, provided they contain over 12 but not more than 16 filaments of warp and weft in a square centimetre and weigh over 190 but not more than 400 grams per square metre. Other tissues of artificial fibres, formerly dutiable at rates varying from 15 to 17 pesos, depending on weight, are now subject to a rate of 37.50 pesos per kilogram. Similar changes have been made with respect to tissues of artificial fibres with mixtures of other materials. Socks and stockings of artificial fibres, previously subject to rates of from 0.65 to 0.80 pesos per pair, are now dutiable at 4 pesos per pair.

The Mexican peso at present equals 22.68 cents Canadian; one kilogram equals 2.204 pounds.

IMPORT PERMITS TO BE MADE AVAILABLE FOR WHEAT, RICE AND CORN

Mr. D. S. Cole, Commercial Counsellor, Canadian Embassy, Mexico City, writes that the *Financial Bulletin of Mexico*, of March 29, 1946, reports that the Director of Economic Studies will, in accordance with a decision made by the Secretary of the Department, grant without delay such permits as are requested for the importa-

tion of wheat, rice and Indian corn. In addition, a subsidy equivalent to the corresponding import duties will be granted.

Argentina

IMPORT DUTY ON TIRES SUSPENDED

Mr. J. C. Depocas, Acting Commercial Secretary, Canadian Legation, Buenos Aires, writes that by a decree of April 6, 1946, the import duty on rubber tires and tubes imported into Argentina has been suspended for six months, this suspension to be renewed automatically unless decreed otherwise.

POSTAL SERVICES AND RATES

French-Indo China

MAIL SERVICE RESUMED

Letters, commercial papers, printed matter and samples not exceeding one pound in weight will now be accepted for surface transmission to Cambodia and Cochin-China (French Indo-China). The rates and conditions in effect before the service was suspended will apply. Registration service is available. To Annam, Laos and Tonkin (French Indo-China), service is still restricted to unregistered letters weighing not more than one ounce and postcards. The mail service to the whole of French Indo-China has now been extended to include all classes of business correspondence, which was previously confined to that ascertaining facts and exchanging information. Air mail, money order, and parcel post services are still suspended.

India

PARCEL POST INSURANCE SERVICE SUSPENDED

Parcel post insurance service to the following places in India is temporarily suspended: Wana, Tanai, Sarwaki (under the Dehra-Ismail-Khan Post Office), Dattekel, Spinwan (North Waziristan), Sararogha, Shakardarra, Chorlaki, Land Kumar, and Thathi Nasratti (North West Frontier Province).

Luxembourg

AIR MAIL SERVICE EXTENDED

Correspondence for Luxembourg may be accepted for transmission by trans-Atlantic air mail to England, thence by air to destination. The postage rate will be 30 cents for each half-ounce or fraction thereof. Air mail may also be sent to Luxembourg at the rate of 10 cents for each ounce, which will include air mail conveyance in Canada and beyond England to Luxembourg, but not trans-Atlantic air conveyance.

Netherlands

PARCEL POST RATES ALTERED

As a result of revision of the charges which Canada is required to pay for the conveyance of parcels from Canada to the Netherlands, the rates of postage have been altered at certain weights, and, until further notice, will range from 55 cents for one pound to \$2.20 for 11 pounds.

Siam (Thailand)

MAIL SERVICE EXTENDED

The mail service to Siam, which was previously confined to that ascertaining facts and exchanging information, has now been extended to include all classes of business correspondence.

NEW FUNCTIONS OF THE CENTRAL BANK OF CHINA TO STABILIZE EXCHANGE

(Summarized from Chinese Press Reports)

The official rates of foreign exchange and foreign exchange supplements have been abolished by the Central Government of China, and a new set of temporary regulations governing foreign exchange transactions have been approved by the authorities.

The Chinese Government has authorized the Central Bank of China to exercise certain functions and to appoint banks that may engage in foreign exchange transactions. The official rates of exchange of 20 Chinese dollars to one American dollar and 80 Chinese dollars to one pound sterling has been abolished as from March 4, 1946.

The text of the new regulations which became effective on March 4, 1945, follows:—

I. FUNCTIONS OF THE CENTRAL BANK OF CHINA

1. The National Government, with a view to stabilizing the currency, promoting economic recovery and implementing the International Monetary Fund Agreement, hereby temporarily authorizes and directs the Central Bank of China to exercise the following special functions with regard to foreign exchange transactions:—

- (a) To appoint banks that may engage in foreign transactions with the public, to be termed "appointed banks".
- (b) To license for a specified period:
 - (1) banks (including old-style banks) and exchange shops to deal in foreign currency notes, to be termed "licensed dealers, Class A"; and
 - (2) travel agencies to issue and cash foreign currency travellers' letters of credit and travellers' cheques, to be termed "licensed dealers, Class B".
- (c) To license persons to act as foreign exchange brokers during a specified period.

- (d) To regulate the foreign exchange transactions of appointed banks, licensed dealers, foreign exchange brokers, and the public in accordance with these regulations.
- (e) To intervene in the financial markets when it deems it necessary to check fluctuations of rates.
- (f) To regulate, in accordance with the policy of the Government, matters pertaining to the use and disposal of blocked property and property interest abroad of persons in China.
- (g) To suspend or cancel for proper cause the appointment or licence or right to engage in transactions in foreign exchange and foreign currency notes.

II. APPOINTED BANKS, LICENSED DEALERS AND BROKERS

2. Only appointed banks may deal in foreign exchange, and the public may buy and sell foreign exchange only through them, except for limited authorization specifically granted under these regulations to licensed dealers and brokers in foreign exchange.

3. Appointed banks are permitted to deal in foreign currency notes. Other banks (including old-style banks) and exchange shops that wish to act as licensed dealers, Class A, and travel agencies that wish to act as licensed dealers, Class B, shall apply to the Central Bank of China for a licence, on the application forms prescribed, within fifteen days from the effective date thereof. The Central Bank of China will issue or refuse licences and will announce a date or dates after which (1) dealing in foreign currency notes and (2) issuing and cashing foreign currency travellers' letters of credit and travellers' cheques except by appointed banks, shall be prohibited without a licence.

4. The business of acting as a broker in foreign exchange shall henceforth be licensed. Any person who wishes to act as a broker in foreign exchange shall apply to the Central Bank of China for a licence, on the application form prescribed, within fifteen days from the effective date thereof. The Central Bank of China will issue or refuse licences and will announce a date after which acting as broker in foreign exchange shall be prohibited without a licence.

III. EXCHANGE TRANSACTIONS

5. The official rates of foreign exchange and foreign exchange supplements are hereby abolished.

6. Appointed banks may sell foreign exchange to the public only for the following purposes:—

- (a) To pay the cost, in accordance with these regulations and rulings issued thereunder, of importing goods whose import is permitted.
- (b) For legitimate personal requirements, in accordance with these regulations and rulings issued thereunder.
- (c) For other legitimate purposes authorized by the Central Bank of China.

7. A person applying to an appointed bank for foreign exchange shall sign a certificate in the form prescribed by the Central Bank of China stating that he does not possess and has not made and will not make arrangements to acquire from any other sources the foreign exchange for which he applies, provided, however, that the Central Bank of China will consider applications through appointed banks to permit persons established in business and possessing foreign exchange to maintain in foreign exchange working capital necessary to finance their trade between China and foreign countries.

8. Appointed banks may buy foreign exchange arising from the following transactions:—

- (a) Exports or re-exports from China: an appointed bank buying or contracting to buy foreign

exchange arising from exports or re-exports from China shall make, on the invoice presented to the Customs, an appropriate endorsement in the form prescribed, and export or re-export shall not be permitted without such endorsements, provided, however, that no endorsement shall be required if the value is less than the equivalent of U.S.\$25 and not for commercial purposes.

- (b) Remittances from abroad to China.
- (c) Foreign exchange sold for expenditure in China.
- (d) Other foreign exchange.

9. Foreign currency accounts of the public in banks in China shall be governed by the following provisions:—

- (a) No bank may open new foreign currency accounts or accept new deposits in old foreign currency accounts except as permitted under Paragraph II.
- (b) Withdrawals from foreign currency accounts may be made only for purposes permitted under these regulations. Withdrawals from foreign currency accounts in other than appointed banks may be made only through the Central Bank of China.
- (c) Any balances remaining in foreign currency accounts by September 30, 1946, shall thereupon be sold to the Central Bank of China at prevailing rates of foreign exchange.

10. Until further notice by the Central Bank of China, no bank shall make any fresh loan or increase or renew, for a total of more than three months from the date when these regulations enter into force, any existing loan in Chinese national currency on the security of foreign exchange.

11. When a person deposits with an appointed bank margin in foreign currency, against foreign exchange to be delivered to him or paid for his account in future, the bank shall deposit an equal amount with the Central Bank

of China, which will refund the amount to the bank at the time the foreign exchange is transferred to or for the account of such person by the bank.

12. Appointed banks may engage in foreign exchange transactions only for a specific purpose permitted under these regulations. They may not engage in foreign exchange transactions in connection with export of capital from China or for speculative or arbitrage purposes, whether for their own account or for the public. Appointed banks, prior to making a transfer of foreign exchange, shall exercise reasonable diligence to satisfy themselves that the transaction is bona fide and in accordance with these regulations.

13. Appointed banks shall be responsible for being informed of the foreign exchange and foreign trade regulations of foreign countries and shall engage in foreign exchange transactions only when they are satisfied that the transactions are permitted thereunder.

14. When an appointed bank has contracted to sell foreign exchange and the transaction giving rise thereto is cancelled in whole or in part, the purchaser shall be required to sell forthwith the entire amount of foreign exchange no longer required for the transaction.

15. Appointed banks may engage in forward foreign exchange operations whose usance does not exceed three months but only for change-overs and other transactions permitted under these regulations.

16. Until further notice by the Central Bank of China, only appointed banks in Shanghai may do inter-bank foreign exchange transactions or execute outport bank orders to buy or sell foreign exchange. Such operations shall be only for the purpose of covering these regulations.

17. Offices of appointed banks in places other than Shanghai may engage in foreign exchange transactions permitted under these regulations, but until further notice by the Central Bank of China, any cover shall be obtained from their Shanghai offices or correspondents.

18. If the Central Bank of China considers that an appointed bank has an excessively large position in foreign exchange relative to the volume of its business and its prospective obligations, the Central Bank of China may require the bank to reduce its position.

19. Brokers in foreign exchange may not buy or sell foreign exchange for their own account except for a specific purpose authorized hereunder, nor may they buy or sell foreign exchange for the account of another.

IV. REPORTS

Paragraphs 20 to 25 state in detail the manner in which holdings in foreign exchange shall be reported and the different forms of reports that are required to be presented to the Bank of China covering various transactions.

V. DEFINITIONS

26. The term foreign exchange as used herein includes without limitation:—

(a) Any of the following payable in a foreign currency or country whether blocked, partly blocked or free:

(i) Deposits and credits of all kinds with banks, business houses and other organizations and individuals;

(ii) Telegraphic transfers, demand, sight and time drafts, cheques, travellers' cheques, notes due within one year or less, bills of exchange, and other orders or promises to pay, letters of credit, bank and trade acceptance;

(iii) Government bonds, bills, treasury notes, savings certificates or other obligations due within one year or less. The Central Bank of China may cancel permission to deal in foreign exchange of an appointed bank which repeatedly violates these regulations. The Central Bank of China may temporarily suspend or may cancel the licence of a

licensed dealer or broker in foreign exchange who repeatedly violates these regulations. The Central Bank of China may debar from further foreign exchange transactions any person who effects a transaction in violation of these regulations.

MISCELLANEOUS

28. Any person in China whose foreign exchange or other property or property interest abroad is blocked, may apply to the Central Bank of China for permission for use thereof for purposes permitted under these regulations.

29. The public may buy and sell gold freely. The Central Bank of China may buy and sell gold at its discretion.

30. The import and export of foreign currency notes is prohibited without a licence from the Ministry of Finance,

provided, however, that a person may bring to and take from China for his personal use an amount not exceeding U.S.\$200 or equivalent.

31. All government organizations engaged in any form of trade or business shall be governed by these regulations unless a particular organization is specifically excepted by the Ministry of Finance from any requirement hereof in respect of any specified foreign exchange transaction.

32. The date of announcement of these regulations is February 25, 1946, and they shall enter into force on March 4, 1946, except that

- (a) Paragraph 5, sub-paragraph (a) of Paragraph 9, and Paragraph 30 shall enter into effect immediately upon announcement of these regulations.
- (b) Applications under Paragraphs 3 and 4 may be made immediately upon announcement of these regulations.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

22. *Chile*—Pedro de la Maggiora, Casilla 9344, Santiago, Chile, has expressed interest in securing the agency for Canadian manufacturers or exporters of the following products: storage batteries and accumulators for automobiles; wire (fencing, baling and nail wire), and cotton fabrics. File: C.E. 210.

23. *Greece*—Kouflopoulos & Karanikitas, 44 Egnatia Street, Athens, dealers in paints and hardware, are desirous of getting in touch with Canadian firms wishing to export the following commodities to Greece: builders'

and furniture hardware, files, hinges, locks, padlocks, paint brushes, screws, and hand tools. File 24106.

24. *Chile* — Messrs. Miguel Depolo F., Casilla 9529, Santiago, Chile, have expressed interest in securing representation in the Chilean market for Canadian manufacturers or exporters of the following products: industrial plastic materials; chemical products used in the manufacture of paints, gaseous waters and for tanning; and office supplies such as kardex, perforators, index cards, etc. File T.E. 79.

25. *Ethiopia*—Mr. Edmond Karam, P.O. Box 1194, Addis Ababa, Ethiopia, wishes to be placed in touch with exporters and manufacturers of textiles, hosiery, hats, shoes, cosmetics, spirits, etc., who are willing to enter into business connections with this market. He advises that he is in a favourable position to export Ethiopian produce such as beeswax, civet, hides and skins, etc., and would be glad to hear from Canadian firms interested in these commodities. File 58898.

26. *Greece*—G. Maltsiniotis & Co., S. A., 15 Skoufa St., Athens, wish to establish contact with Canadian exporters of the following commodities with a view to representing them as agents and distributors: machinery; tool steels; aluminum bars, sheets and

tubes; wire and wire ropes; rubber and leather belting; refractories; asbestos packing; abrasives; and industrial chemicals. File 17040—T.C. 150.

27. *Greece*—Georges M. Lazannis, 72 Lombardou St., Athens, formerly a resident of Montreal and now living in Athens, where he conducts a moving-picture house, is interested in representing Canadian manufacturers and exporters of moving-picture apparatus and supplies. File 24106—T.C. 203.

28. *Greece*—George Totomis & Son, 2, Lekka St., Athens, wish to make contact with Canadian manufacturers and exporters

of toilet articles, perfumes, soaps, manicure preparations, etc. File 24106—T.C. 203.

29. *Greece*—Demeterie Efst. Coukiadis, 22 Chateaubriand St., Athens, is interested in representing Canadian exporters of dyestuffs, industrial chemicals, pharmaceutical products and manufactures of leather. File 24106—T.C. 200.

30. *Greece* — Nicolas D. Coidis, 24 rue Eguinis, Athens, is interested in establishing contacts with Canadian exporters of medicinal products, particularly penicillin. He is also interested in exporting Greek tobacco. File 24106—T.C. 205.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Apr. 8	Nominal Quotations Apr. 15
Argentina	Peso	Off. .3282	.3282
		Free .2690	.2685
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa.....	Franc	.0092	.0092
French Empire—African.....	Franc	.0157	.0157
French Pacific possessions.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0048	.0049
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON, Circular Road, St. John's.

New Zealand

P. V. McLANE, Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 9, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN, Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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UNITED KINGDOM FOREIGN TRADE IN 1945

By H. L. E. PRIESTMAN, *Canadian Trade Commissioner at London*

The Board of Trade has recently published figures indicative of Britain's improved overseas trade in 1945. The end of the war, the cutting-off of imports under Lend-Lease and Mutual Aid and the re-establishment of a portion of Britain's blitzed industry are all reflected in the changed position of the United Kingdom's external trade during the year. As shown in Table 1, imports during 1945 were reduced by

£205,792,309 from the 1944 level, while exports rose £128,332,403 over the value for the previous year.

The general rise in average values must always be borne in mind when comparing the current figures for values with those for 1938. For comparative purposes, therefore, Table 2 is a repetition of Table 1 on the basis of 1935 values.

TABLE 1

Exports by Main Classes

	1938	1944	1945
Total, all classes	£470,755,320	£265,045,773	£393,378,176
Food, drink and tobacco	35,893,254	22,868,861	55,774,657
Raw materials and articles mainly unmanu- factured	59,920,431	8,083,375	15,021,286
Articles wholly or mainly manufactured	362,244,799	228,605,623	301,408,780

Retained Imports by Main Classes

	1938	1944	1945
Total, all classes	£919,508,933	£1,306,940,883	£1,101,148,574
Food, drink and tobacco	430,116,697	519,426,015	487,047,788
Raw materials and articles mainly unmanu- factured	247,956,815	279,955,773	294,131,479
Articles wholly or mainly manufactured	233,777,584	477,230,146	300,744,543

TABLE 2

Exports by Main Classes

	1938	1944	1945
	Values	at 1935	Prices
	£'000	£'000	£'000
Total, all classes	418,410	131,177	189,011
Food, drink and tobacco	35,059	13,050	28,369
Raw materials and articles mainly unmanufactured....	47,471	3,330	5,819
Articles wholly or mainly manufactured.....	324,347	112,093	144,703

Retained Imports by Main Classes

	1938	1944	1945
	Values	at 1935	Prices
	£'000	£'000	£'000
Total, all classes	761,348	610,897	477,744
Food, drink and tobacco	363,547	267,878	221,099
Raw materials and articles mainly unmanufactured....	195,965	119,969	120,461
Articles wholly or mainly manufactured.....	197,673	202,064	123,128

Imports

Canada continued in 1945 to be the second largest supplier of goods to Great Britain, providing almost one-fifth of her total imports; Canada and the United States together accounted for almost one-half of Britain's importations during the year. The leading countries of supply, in order of importance were: United States (£318.7 million); Canada (£199.5 million); India (£66.4 million); New Zealand (£60.7 million); Australia (£50.3 million); and Argentina (£48.1 million).

NOTES ON THE PRINCIPAL IMPORTS

Grain and Flour—Increased importations of wheat, barley, oats and maize account for the increase in imports under this classification during 1945. Wheat imports alone increased from 56,474,411 cwt. in 1944 to 71,002,344 cwt. Those of wheat meal and flour were reduced by about 5 million cwt. to 10,857,417 cwt.

Meat—The reduction in the importations of all kinds of meat was general but was most pronounced in pig products. Those of bacon were reduced from 7,355,496 cwt. in 1944 to 4,571,855 cwt., and chilled or frozen pork was cut by almost half to 3,850,297 cwt. All countries except New Zealand supplied less during 1945 than in 1944, the reduction being most noteworthy in the case of Argentina, which was reduced to the third most important supplier, being credited with a value of £20,797,533 of a total of over £113,000,000.

Dairy Produce—The feature of the statistical data under this heading is the drastic reduction in the value of imports from the United States, from about £44 million to about £17 million. This reduction was accompanied by an important cut in the imports of dried whole eggs by well over half to 705,523 cwt. Although separate figures are not available for Denmark, it may be assumed that she accounted for the largest portion of the imports, valued at over £5 million, which are credited to "other foreign countries".

Fresh Fruit and Vegetables—Canada's share of the imports in this class continued to be comparatively small. Apple imports into the United Kingdom rose slightly during the year, but remained well less than one-tenth of the 7 million cwt. imported in 1938.

Other Food—Although sugar is the most important single item in this group, fresh or frozen fish is the most important item of interest to Canada. The value of imports of frozen or fresh fish increased slightly to 4,588,073 cwt., while imports of canned salmon decreased slightly in quantity but increased in value to £3,061,836, or about £1½ million less than in 1938.

Tobacco—Imports of tobacco from Canada were limited only by the supply available, and during 1945 were valued at £1,386,138, or more than in 1938.

Other Non-Metalliferous Mining and Quarry Products and the Like—There was a slight reduction in imports of most products in this group. Asbestos, which is the most important by value, set the general trend during 1945 by showing a reduction of about one-fifth to £2,142,790.

Non-Ferrous Metalliferous Ores and Scraps—The general position of this group remained on about the 1944 level. However, imports of tin ore and concentrates rose considerably to a value of £9,320,991 during 1945, accounting for almost half that of total importations.

Wood and Timber—The reappearance of Sweden and Finland among suppliers featured the increase in importations of wood and timber. Receipts of sawn softwood rose in quantity from 423,036 standards in 1944 to 734,576 standards in 1945, which is about half the 1938 level; on the basis of value the imports in 1945 totalled over £28 million, or about £8 million greater than in 1938. Pitprops became Britain's second largest import item in this group during 1945, when the value of receipts rose to £3,093,880.

Hides and Skins, Undressed—The granting of an Open General Licence for furs was the most important factor affecting this class in 1945. This attempt of Great Britain to gain predominance in the fur trade is not reflected fully in the 1945 statistical returns, due to the fact that this action was not taken until late in the year, but imports in this category rose in value from £148,564 to £3,376,991.

Paper-making Materials — Sweden and Finland contributed largely to the doubling in quantity and value of imports during 1945. Those of bleached dry chemical woodpulp rose from 61,649 tons to 150,029 tons, and those of dry unbleached increased from 212,951 tons in 1944 to 315,409 tons. Importation of wet mechanical woodpulp increased almost fourfold to 173,436 tons.

Iron and Steel, and Manufactures Thereof—Drastic reductions in imports of all items of this class followed the end of the war, resulting in the unusually low figure for value of imports of £6,391,416 in 1945. Imports of blooms, billets and slabs of steel, other than special steel, fell more than 600,000 tons to 79,694 tons; imports of plates and sheets, not galvanized, not tinned, etc., fell from 136,387 tons to 1,739 tons.

Non-Ferrous Metals and Manufactures Thereof—There were reductions, though not so drastic as in the iron and steel class, in the various items in this group. Imports of aluminum and aluminum alloys of all manufactures dropped from over 3½ million cwt. in 1944 to less than half a million cwt., with a corresponding fall in value. Copper, lead and zinc held their positions better than aluminum, but all showed serious curtailment, especially during the latter half of the year.

Cutlery, Hardware, Implements and Instruments — The reduction in the value of imports of engineers' tools from £4,276,405 in 1944 to £1,542,882 is reflected in the slashing of the value credited to the United States by more than £4 million to £3,028,495.

Electrical Goods and Apparatus—An important reduction in imports from the United States to £12,955,744 contrasted with the increase in imports from Canada of about £2½ million to £5,634,615. Reductions in imports were especially heavy in the formerly important item wireless apparatus.

Machinery and Parts Thereof—Agricultural machinery; cranes, hoists, etc.; electrical machinery; excavating machinery; and machine tools, which make up the most important items in this class, were all subject to reduction in quantity and value of imports during 1945. The end of Mutual Assistance plans was reflected in the total reduction of imports to less than half the 1944 figure.

Manufactures of Wood and Timber—Imports of plywood remained fairly constant at just over 8 million cubic feet, valued at about £7 million. The new feature in this class was the importation of 9,699 prefabricated houses. These were valued at £5,959,225 and account for the increase of over £4 million in imports from the United States.

Silk and Artificial Silk Yarns and Manufactures—The value of imports in this class remained at the 1944 level of about £2½ million. Although those of artificial silk yarn, thread and straw fell from 3,686,632 pounds in 1944 to 1,191,755 pounds, valued at £563,923, other imports of various types increased sufficiently to make up for this reduction.

Apparel—The bulk of the importations in this class, or about £3 million worth, was made up of men's outer garments other than knitted goods. Canada's share in the apparel field rose from the small figure of £171,009 in 1944 to £2,121,473 in 1945.

Footwear—Imports of rubber boots, shoes, etc., made to cover the ankle, accounted for the sevenfold increase in the value of imports of footwear in 1945. Imports of this type of footwear increased from 203 dozen pairs in 1944 to 106,959 dozen pairs valued

at £613,333, or more than three-quarters of the total imports by value.

Chemicals, Drugs, Dyes and Colours—Important reductions in the value of imports of ethyl alcohol and various chemical manufactures and certain other products in this class accounted for the general fall in the value of imports in 1945. Those of ethyl alcohol were reduced from 14,548,698 proof gallons (imperial) in 1944, to 2,759,511 proof gallons. Certain categories, such as drugs, medicines and medicinal preparations, showed an important increase in value of imports to over £3 million.

Oils, Fats and Rosins, Manufactured—The quantity of refined petroleum imported fell rapidly after V-E Day. Total imports of this item were valued at £141,390,381 as compared with £217,709,546 in 1944.

Leather and Manufactures Thereof—The general position regarding imports of leather and manufactures was comparatively unchanged during 1945. However, there was an important reduction of over £400,000 in imports of undressed hide leather to £2,140,656. On the other hand, imports of goat skin leather rose from £333,963 in 1944 to £1,133,475 in 1945.

Paper, Cardboard, etc.—The increase in imports of paper, cardboard, etc., was general throughout the class. Those of newsprint in rolls rose by one million cwt. in 1944 to 3,723,172 cwt. with the value of £4,663,616. The other important change was in cardboards and other boards made from pulp and paper (not including strawboard and wall-boards), which rose from 429,505 cwt. in 1944 to 1,130,571 cwt. Towards the end of the year, Sweden reappeared as a supplier in this class, of which she was the most important source in 1938, and imports therefrom rose from a negligible figure in 1944 to a value of about £1 million in 1945.

Rubber Tires and Tubes—Imports of rubber tires and tubes fell from 2,386,024 units in 1944 to 1,839,208 units in 1945; the reduction in value was half a million pounds to £4,181,486.

IMPORTS OF INTEREST TO CANADA

Table 3 shows the available comparative statistics of imports, by leading sources of supply in 1945, 1944 and 1938, the latest full prewar year, of commodities of chief interest to Canada.

TABLE 3

United Kingdom Imports of Products of Interest to Canada

	1938	1944	1945	1938	1944	1945
Grain and Flour—	Cwt.	Cwt.	Cwt.	£	£	£
Total	200,154,650	78,324,558	99,693,350	74,418,338	65,530,621	81,421,536
Canada .....	...	60,449,331	75,930,201	18,592,293	50,361,644	64,204,435
Argentina .....	...	11,100,417	14,793,918	8,190,189	7,730,674	10,031,869
United States .....	...	5,355,200	8,272,748	15,602,821	5,432,168	6,095,749
Meat—						
Total	30,963,142	35,730,439	23,341,148	90,679,859	167,864,536	113,468,367
Canada .....	...	7,328,568	5,723,270	6,964,856	43,895,706	35,359,178
New Zealand .....	...	3,847,634	5,621,134	14,680,534	14,325,857	23,630,027
Argentina .....	...	11,485,310	4,820,083	21,262,180	47,941,696	20,792,533
United States .....	...	8,597,717	3,046,882	3,361,335	40,109,481	12,570,009
Australia .....	...	1,880,823	1,852,001	11,000,425	7,152,595	7,491,009
Eire .....	...	535,919	619,945	3,074,061	4,249,719	4,833,845
Dairy Produce—						
Total .....	...	...	...	80,013,976	91,255,410	82,011,329
Canada .....	...	...	...	3,008,040	11,706,222	17,002,746
New Zealand .....	...	...	...	20,378,696	22,495,443	28,350,936
United States .....	...	...	...	153,852	44,302,091	17,760,228
Australia .....	...	...	...	11,114,163	5,522,499	7,903,660
Eire .....	...	...	...	3,326,631	3,380,100	3,347,627

	1938 Cwt.	1944 Cwt.	1945 Cwt.	1938 £	1944 £	1945 £
Fresh Fruit and Vegetables—						
Total	42,317,541	4,980,655	9,214,584	37,657,557	8,029,353	15,949,728
Canada .....	.....	374,931	252,834	2,514,815	627,987	533,410
Spain .....	.....	2,483,162	4,126,402	2,203,464	4,118,878	7,161,216
South Africa .....	.....	552,981	1,471,268	2,560,991	1,111,669	2,948,603
Palestine .....	.....	467,690	1,231,246	2,883,687	482,339	1,781,315
Other Food (mainly fish and sugar products)—						
Total .....	.....	.....	.....	56,910,094	89,190,229	75,609,337
Canada .....	.....	.....	.....	3,907,423	6,243,562	5,222,248
Cuba .....	.....	.....	.....	4,389,513	7,074,697	12,759,211
United States .....	.....	.....	.....	10,316,138	20,754,570	11,473,853
San Domingo .....	.....	.....	.....	1,405,116	12,484,441	5,506,533
British West Indies ..	.....	.....	.....	1,926,634	2,675,512	4,842,617
Iceland .....	.....	.....	.....	1,148,561	6,022,684	4,357,443
Portugal .....	.....	.....	.....	340,531	3,429,430	3,281,715
Argentina .....	.....	.....	.....	642,148	4,454,124	3,073,530
Tobacco—						
	Lb.	Lb.	Lb.			
Total	346,145,683	230,254,308	369,101,927	23,284,633	32,704,864	51,344,087
Canada .....	.....	8,904,558	12,109,228	1,166,137	954,644	1,386,138
United States .....	.....	180,434,780	309,816,599	17,774,488	26,359,754	44,022,498
Southern Rhodesia ..	.....	12,562,626	20,600,195	1,168,308	1,881,679	2,811,148
British India .....	.....	4,733,755	10,185,915	1,561,160	448,236	1,150,117
Other Non-Metalliferous Mining and Quarry Products (Asbestos, Mica, etc.)—						
	Ton	Ton	Ton			
Total	1,495,757	386,691	408,436	4,744,373	9,765,986	7,739,605
Canada .....	.....	34,777	101,869	573,648	874,546	977,989
United States .....	.....	217,735	216,769	747,441	2,232,647	2,162,787
British India .....	.....	18,331	12,383	473,309	924,335	1,030,027
Southern Rhodesia ..	.....	25,595	16,228	466,444	1,297,012	919,585
Non-Ferrous Metalliferous Ores and Scrap (gold and Copper Ores)—						
Total .....	.....	.....	.....	16,335,920	21,286,447	20,753,365
Canada .....	.....	.....	.....	3,907,127	2,337,486	2,704,216
Bolivia .....	.....	.....	.....	3,037,949	3,149,996	5,947,739
Nigeria .....	.....	.....	.....	1,415,081	4,097,236	3,508,544
Sierra Leone, G. Coast	.....	.....	.....	.....	2,518,513	2,420,290
Spain .....	.....	.....	.....	407,475	2,253,599	1,676,694
Australia .....	.....	.....	.....	823,071	1,331,140	1,458,766
Wood and Timber—						
Total .....	.....	.....	.....	42,852,348	35,984,981	45,505,302
Canada .....	.....	.....	.....	7,097,373	24,086,630	24,679,093
Sweden .....	.....	.....	.....	5,940,885	.....	11,158,427
United States .....	.....	.....	.....	3,672,747	8,247,636	3,834,043
Finland .....	.....	.....	.....	8,230,788	.....	2,568,206
Hides and Skins, Un- dressed—						
Total .....	.....	.....	.....	18,233,113	11,666,975	14,551,719
Canada .....	.....	.....	.....	1,943,600	30,054	327,798
Argentine .....	.....	.....	.....	891,250	5,421,375	5,157,777
United States .....	.....	.....	.....	1,782,611	3,597	1,731,430
New Zealand .....	.....	.....	.....	846,162	966,483	1,054,092
Australia .....	.....	.....	.....	846,237	536,286	772,358
Paper-making Materials—						
Total	1,963,836	374,282	725,658	16,042,767	8,845,500	15,701,173
Canada .....	.....	236,140	238,544	500,912	5,718,180	5,831,133
Sweden .....	.....	.....	276,754	5,032,589	.....	5,212,250
United States .....	.....	73,149	72,399	376,989	1,738,208	1,764,826
Finland .....	.....	.....	78,423	5,441,166	.....	1,590,131
Newfoundland .....	.....	59,627	49,218	67,639	1,241,053	1,069,226
Iron and Steel and Manu- factures Thereof—						
Total	1,344,270	1,764,152	313,454	14,816,046	32,904,370	6,391,416
Canada	117,374	112,597	65,700	1,200,885	4,035,483	1,975,809
United States	200,692	1,475,569	117,411	2,140,904	27,266,577	2,459,734
British India	155,633	174,672	90,313	765,173	1,475,754	748,754
Belgium	273,680	.....	3	2,638,691	.....	239
France	257,347	.....	.....	1,986,856	.....	25

United Kingdom Imports of Products of Interest to Canada—Con.

Non-Ferrous Metals and Manufactures Thereof—	Cwt. 1938	Cwt. 1944	Cwt. 1945	£ 1938	£ 1944	£ 1945
Total .....	....	....	....	40,817,190	66,604,896	22,153,053
Canada .....	....	....	....	14,756,202	28,145,690	7,530,155
Northern Rhodesia ..	....	....	....	3,862,654	13,237,374	6,069,910
Australia .....	....	....	....	3,385,231	4,567,302	3,613,521
United States .....	....	....	....	2,641,724	14,007,110	2,250,832
Belgian Congo .....	....	....	....	....	5,054,823	2,195,969
Chile .....	....	....	....	5,336,331	3	....
Cutlery, Hardware, Imple- ments and Instru- ments—						
Total .....	....	....	....	7,061,696	10,447,795	5,927,885
Canada .....	....	....	....	589,997	1,048,622	900,639
United States .....	....	....	....	1,666,294	7,789,568	3,028,495
Switzerland .....	....	....	....	1,566,852	1,331,396	1,804,999
Electrical Goods and Apparatus—						
Total .....	....	....	....	3,106,805	23,929,925	18,695,789
Canada .....	....	....	....	66,588	3,068,867	5,634,615
United States .....	....	....	....	902,309	20,848,858	12,955,744
Machinery and Parts Thereof—						
Total	124,346	147,699	66,626	21,838,527	41,498,023	19,960,257
Canada	8,645*	12,623	12,635	1,408,264	2,100,617	1,806,824
United States	41,477	129,527	48,075	9,709,548	38,049,913	16,225,949
Sweden	5,203	579	2,705	973,826	727,431	1,202,948
Manufactures of Wood and Timber—						
Total .....	....	....	....	6,286,774	8,503,799	13,616,372
Canada .....	....	....	....	960,862	2,923,377	2,778,455
United States .....	....	....	....	492,245	5,259,528	9,352,438
Silk and Artificial Silk Yarns and Manufac- tures—						
Total .....	....	....	....	4,946,149	2,490,516	2,546,841
Canada .....	....	....	....	....	1,080,044	1,154,687
United States .....	....	....	....	....	1,340,260	1,305,989
Apparel—						
Total .....	....	....	....	8,027,856	5,558,363	4,798,704
Canada .....	....	....	....	411,803	171,009	2,121,473
United States .....	....	....	....	772,505	5,159,474	2,409,963
Footwear—						
Total .....	....	....	....	2,794,347	97,465	729,728
Canada .....	....	....	....	818,565	67,595	588,144
United States .....	....	....	....	353,201	22,756	122,325
Chemicals, Drugs, Dyes and Colours—						
Total .....	....	....	....	13,612,693	25,048,485	18,562,101
Canada .....	....	....	....	636,167	6,181,443	4,204,576
United States .....	....	....	....	2,833,154	12,987,798	7,232,735
Spain .....	....	....	....	51,604	1,416,424	1,288,440
Argentina .....	....	....	....	221,360	1,183,636	1,250,204
Oils, Fats and Resins, Manufactured—						
Total .....	....	....	....	44,070,485	220,958,716	145,491,977
Canada .....	....	....	....	565,527	275,923	1,270,537
United States .....	....	....	....	11,639,232	194,785,251	119,507,282
Dutch West Indies ..	....	....	....	13,179,505	22,283,505	17,823,181
British West Indies..	....	....	....	3,190,958	2,454,558	2,685,794
Leather and Manufactures Thereof—						
Total .....	....	....	....	6,440,292	4,468,332	4,761,940
Canada .....	....	....	....	699,447	150,802	205,132
British India .....	....	....	....	3,300,873	2,276,919	2,893,557
Brazil .....	....	....	....	....	572,684	642,516
Australia .....	....	....	....	348,158	390,302	321,013
Paper, Cardboard, etc.—						
Total	21,414,112	4,004,883	6,795,979	14,841,996	6,384,543	11,513,526
Canada .....	....	1,545,713	2,534,782	2,318,606	2,289,259	3,602,187
United States .....	....	492,891	1,522,148	670,248	1,468,356	4,017,062
Newfoundland .....	....	1,966,051	2,216,327	1,537,510	2,623,967	2,779,437
Sweden .....	....	....	478,856	2,843,846	5	994,117
Vehicles—						
Total .....	....	....	....	4,532,639	6,077,021	4,396,693
Canada .....	....	....	....	373,017	1,108,792	1,074,544
United States .....	....	....	....	2,548,385	4,329,024	2,644,597

Exports

The value of United Kingdom exports (other than munitions) in 1945 totalled £393 million, an increase of £128 million, or 48 per cent over the 1944 figure. Allowing for changes in average values, the volume of exports in 1945 was 45 per cent of the 1938 figure as compared with 31 per cent in 1944. For the November-December period, exports were half by volume of those recorded for the similar 1938 period.

The increase in the 1945 volume of exports as compared with that for 1944 applies to practically every type and group of export but especially

to the iron and steel, non-ferrous metals, chemicals, and vehicles groups.

Canada was the sixth most important importer of British goods in 1945; the principal purchasing countries, in order of importance, were: Union of South Africa (£35·7 million); Australia (£35·2 million); India (£33·1 million); Belgium (£32·2 million); France (£24·8 million); and Canada (£23·6 million). This value of £23,679,000 for Canada compares with £22,530,000 in 1938 and £21,848,000 in 1944.

The principal classes of goods which Canada purchased from the United Kingdom in 1945, with volumes and values, are shown in Table 4.

TABLE 4
Principal British Exports to Canada

	1938	1944	1945	1938	1944	1945
	Pr. Gal.	Pr. Gal.	Pr. Gal.	£	£	£
Spirits, Home-made—						
Total exports	9,116,745	4,654,108	5,297,052	11,361,617	8,402,931	9,516,353
Canada	771,007	412,663	397,304	867,760	730,554	716,834
Coal—	Ton	Ton	Ton			
Total exports	35,856,227	2,606,190	3,324,682	37,406,306	4,957,163	6,640,929
Canada	1,128,234	198,430	23,444	1,540,152	326,524	37,001
Wool, Raw and Waste, and Woollen Rags—						
Total exports .....	....	....	....	6,262,842	172,197	1,746,245
Canada .....	....	....	....	248,563	100,037	125,508
Silk, Raw and Waste, and Artificial Silk Waste—	Lb.	Lb.	Lb.			
Total exports	20,064,093	6,491,112	16,277,811	661,414	434,421	1,048,636
Canada .....	....	6,061,165	7,534,565	63,921	401,969	489,657
Pottery, Glass, Abrasives—						
Total exports .....	....	....	....	9,610,109	9,535,555	13,010,163
Canada .....	....	....	....	1,118,152	1,704,005	1,810,151
Iron and Steel and Manufactures Thereof—	Ton	Ton	Ton			
Total exports	1,915,202	219,939	642,366	41,555,579	8,523,606	20,575,730
Canada	85,395	660	4,645	2,306,533	96,872	315,359
Non-Ferrous Metals and Manufactures Thereof—						
Total exports .....	....	....	....	12,339,096	4,702,887	11,716,860
Canada .....	....	....	....	393,006	762,917	2,125,391
Cutlery, Hardware, Implements and Instruments—						
Total exports .....	....	....	....	9,027,687	7,715,505	10,006,359
Canada .....	....	....	....	393,753	205,563	363,381
Electrical Goods and Apparatus—						
Total exports .....	....	....	....	13,430,405	12,639,535	13,631,817
Canada .....	....	....	....	149,783	494,189	452,169
Machinery—						
Total exports	459,263	194,315	217,517	57,867,565	41,162,897	44,609,004
Canada	11,329	1,815	2,451	1,558,292	623,392	749,996
Cotton Yarns, Grey, Unbleached—		1,000 Sq. Yards				
Total exports	235,322	59,248	50,062	3,841,434	2,479,929	2,391,871
Canada	238,050	68,462	57,446			
Canada	446,678	157,698	134,980			
Canada	35,691	7,324	2,126			

Principal British Exports to Canada—Con.

	1938	1944	1945	1938	1944	1945
		1,000 Sq. Yards		£	£	£
Cotton Piece-Goods—						
Total exports	1,386,235	434,231	441,096	31,961,174	24,162,772	28,779,211
	1,447,997	1,000 Lin. Yards	469,482			
	Cwt.	Cwt.	Cwt.			
	2,589,239	974,349	1,017,941			
		1,000 Sq. Yards				
Canada	64,458	9,989	8,070	1,101,847	460,445	628,142
Cotton Manufactures (Ex- cluding Yarns and Piece-Goods)—						
Total exports .....	....	....	....	4,934,277	4,887,826	5,693,430
Canada .....	....	....	....	428,695	446,702	446,002
Woollen and Worsted Yarns and Manufactures—						
Total exports .....	....	....	....	26,813,619	15,304,851	21,457,338
Canada .....	....	....	....	3,404,693	4,693,007	5,125,665
Silk and Artificial Silk Yarns and Manufac- tures—						
Total exports .....	....	....	....	5,502,161	16,357,434	17,282,220
Canada .....	....	....	....	418,038	1,624,388	1,428,669
Manufactures of Other Tex- tile Materials (main- ly Linen, Hemp and Jute)—						
Total exports .....	....	....	....	10,657,365	5,236,655	7,095,532
Canada .....	....	....	....	1,138,781	909,743	912,993
Apparel—						
Total exports .....	....	....	....	8,515,263	4,741,229	11,142,263
Canada .....	....	....	....	514,790	359,873	333,730
Chemicals, Drugs, Dyes and Colours—						
Total exports .....	....	....	....	22,279,789	28,126,128	37,414,951
Canada .....	....	....	....	1,149,869	976,463	967,340
Leather and Manufactures Thereof—						
Total exports .....	....	....	....	3,943,101	1,196,476	1,792,091
Canada .....	....	....	....	316,251	213,186	251,456
Vehicles (including Loco- motives, Ships and Aircraft)—						
Total exports .....	....	....	....	44,627,488	13,082,006	18,159,051
Canada .....	....	....	....	697,477	335,186	898,584

Summary

The statistical data supplied by the Board of Trade indicate the beginning of a trend of increasing exports and decreasing imports which will probably be even more apparent in 1946.

The Chancellor of the Exchequer and the President of the Board of Trade have called for an increase in exports in excess of pre-war figures of between 50 and 75 per cent. Imports, on the other hand, it has been stated, will be kept more or less under control

in an attempt to bridge the gap in the United Kingdom's international balance of payments. The Canadian and United States loans will be of assistance, but the British Government expects them to provide only a temporary easement, in order to afford the country an opportunity to recover. The object of the Government is to balance its trading account by the middle of 1947, when import controls will be relaxed substantially, in order that imports may increase to match the increase which it is hoped will continue in exports.

BUSINESS CONDITIONS IN SOUTH AFRICA IN 1945

II

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Railways and Coal

The annual report of the General Manager of the South African Railways and Harbours for 1944-45 envisages a wide scheme of rehabilitation and expansion. Substantial numbers of locomotives and freight cars have been ordered, and some have already arrived. An extensive program for building passenger coaches will be begun as soon as possible. Electrification works involve the conversion of a further 266 miles to electric traction, so that, when works in hand or authorized are completed, electrified mileage in South Africa will total 847.

This report, which covers the year ended March 31, 1945, shows a net deficit of £288,465. Revenue during the fiscal year reached new high levels, the total amounting to £58,449,551, but expenditures rose to £57,751,016. An outstanding feature of the year was the volume of coal carried, which increased by 31 per cent; the total quantity shipped or bunkered was over 5 million tons. The volume of coal carried by rail exceeded by more than 2 million tons the record volume shipped in the previous year. Coal produced and disposed of by collieries in South Africa in 1944 totalled 25,338,720 tons, of which the tonnage shipped and railed from collieries in the Transvaal was over 14.5 million tons. Railway revenue derived from the haulage of coal accounted for 10 per cent of gross income.

Credit and Trade

The Standard Bank of South Africa Limited maintains an "Index of Available Credit", which in December showed a rise of 8 points to 998 as compared with 778 for the corresponding period of 1944 and 688 for the same month of 1943. The "Index of Business Volume" maintained by the Bank dropped by 6 points to 232 as

compared with 189 in December, 1944, and 175 in the same month of 1945. The general basis of the latter Index is made up of a number of weighted factors reflecting the trend of commercial activity but, as such factors are expressed in monetary terms, the Bank points out that the Index will naturally tend to place more emphasis upon monetary evaluation and measurement than upon the actual volume of trade.

Currency Circulation

A statement as of December 28, 1945, by the South African Reserve Bank showed a note circulation in South Africa of £67,354,876, which exceeds the last year's record by £7,434,421. Bankers' deposits in that return amounted to £183,416,520, also constituting a record. The gold holding at that date was £112,415,097, and the ratio of gold reserves to liabilities to the public was 41.8 per cent.

Registration of Companies and Trade Marks

In 1927 there were 619 new companies registered in the Union, and their capital, together with increases in capital of existing companies, totalled £13 million. A peak was reached in 1937, when 1,581 new companies were registered and the nominal capital aggregated £49 million. There was a sharp drop in the first years of the war, but the tide turned in 1943, and by 1945 a record number of 2,060 companies, with an aggregate capital of £66 million, were formed. The total number of companies in South Africa is now over 22,000.

The Patent Office was established in 1917, and the number of applications for patents rose steadily to 1,702 in 1929. Again there was a dwindling during the early years of the war, but the upward trend started in 1942, and

the number of applications has steadily risen to the record total of 2,441 in 1945. Registration of Trade Marks followed a similar course, rising to 3,429, another record, in 1945.

Stock Exchange

In his annual statement at the end of 1945, the Chairman of the Johannesburg Stock Exchange stated that "in forty years' experience of the Exchange we have been through many periods of intense activity, but none of the magnitude of the present boom". The Chairman also pointed out that, while three years ago the United Kingdom was steadily selling her shares in South Africa, this movement has now been reversed, and London has recently been a heavy buyer, especially in gold shares. He further pointed out that there had been a welcome increase in preference shares, which indicates that, underlying the speculative side of the market, there is a firm basis of investment. As a further instance of this firm basis, he mentioned that 34 per cent of the market value of all quoted securities consist of government and municipal loans. On the purely statistical side he stated that the shares of 296 companies with an issued capital of £250,350,130 had a total market value of £863,012,456 at the end of 1945. Adding government stocks, debentures and preference stock, the total market value of shares quoted on the Johannesburg Exchange was £1,327,080,933 at the end of the year.

A record was created on the Johannesburg Stock Exchange early in 1946, when a new share issue was oversubscribed 231 times. The high aggregate of over 17 million applications for 75,000 shares may have been accounted for in part by over-ordering by applicants so as to obtain a large number of shares. The company concerned is mainly engaged in the tea and coffee trade.

Money Supply

In an address on July 27, 1945, the Governor of the South African Reserve Bank stated that the heavy increase

in the supply of money (coin and notes in the hands of the public and bank deposits subject to cheque) from £36.6 million at the end of 1932 to £294.6 million at the end of 1944 was attributable to five factors as follows:

1. The rise in the price of gold in terms of dollars and sterling.
2. The depreciation of South African currency in terms of gold.
3. The increase in mining development and gold output, which in turn provided a strong stimulus to general economic development.
4. The involuntary savings resulting from wartime conditions and inability to purchase overseas goods.
5. The heavy disbursements in South Africa during the war by the United Kingdom and other overseas governments and by ships, troops and evacuees.

He went on to say that a corollary to the statement that the supply of money is much in excess of the real need for internal media of exchange and cash balances is the deduction that a considerable proportion of the demand deposits, which amounted to about £223 million at the end of 1944, consist of accumulated idle capital. A portion of this idle capital represents the liquid capital of commerce, mining and industrial concerns awaiting opportunities for replenishment of depleted stocks and replacement of plant, but a further portion consists of "consumers' capital" in the sense that it is available for the purchase of consumers' goods, especially those which may be classed as capital goods. The remainder is capital awaiting opportunities for suitable new investment.

He indicated that, while no statistics are available concerning the total amount of money capital available for new investment, he believes that there is *prima facie* evidence that a substantial proportion of the existing huge total of banks' deposits represents idle capital awaiting investment in one form or another. One such evidence has been afforded by the heavy sub-

scriptions to public and private capital issues of all funds.

Speaking on this point at the end of October, Professor C. S. Richards, in his presidential address to the Economic Society of South Africa, pointed out that the average annual value of imports of merchandise from 1936 to 1939 was £87·5 million and, deducting from this figure the average annual importations during war time, he estimates a total consumers' deficit of £143·5 million. Assuming that about half of this deficit has been met by local production, Professor Richards estimates that there is still a consumers' deficit of over £70 million, but he does not agree that there is as much latent purchasing or investment power as the Governor of the Bank indicates.

Projected Capital Expenditure

In his presidential address, Professor Richards summarized projected capital expenditure as follows:—

1. Based on a statement by the Minister of Public Works, it is believed that the building industry can use £40 million in the current financial year. The five major cities have existing schemes totalling over £5 million, and post-war schemes totalling over £62 million, which, spread over a period of ten years, averages about £6 million a year.

2. The South African Railways and Harbours estimate that their capital development schemes over the next fifteen to twenty years roughly approximate £69 million, of which the first five years would account for £16 to £20 million.

3. The Public Works Department has intimated that expenditure on public building during the post-war period will be approximately £16 million, spent at the rate of about £2 million per annum.

4. Mining requirements during the next few years are variously estimated as between £80 million and £100 million.

5. It is difficult to estimate industrial and commercial demands, but capital expenditure from 1937 to 1941 was at the rate of about £7 million per annum, and it is probable that this will increase to upwards of £10 million per annum or even higher.

National Income

A report on the structure and income of families, released during 1945 by the Department of Census and Statistics, shows that the median family income in South Africa is £324 a year. The average income per family of two persons in all urban areas is £310, for a family of three it is £335, and for a family of four a maximum of £353, while for larger families income decreases gradually to a minimum of £246 for families of eight, and thereafter increases to £266 for families of eleven or more. Of all rural families enumerated, 32 per cent had incomes exceeding £200 a year, and 46 per cent had incomes of less than £100 per year, the median income being £116. These figures apply only to the white population and take no account of the incomes of Asiatic, coloured and native families, which would bring averages and medians very much lower.

Cost of Living

The official index of cost of living stood at 1323 for the nine principal urban areas at the end of 1945. This means that the cost of living, according to the index, had risen 32·3 per cent over the cost in the basic year 1938; the comparative figure for 1944 was 1288. In this connection a well-known Johannesburg newspaper recently estimated that, on the most conservative basis, the cost of living in Johannesburg has risen by at least 60 per cent, and the purchasing power of the pound sterling, in comparison with pre-war standards, is estimated to be not more than 11s. 9d.

Government Finance

The report of the Controller and Auditor General for the financial year 1944-45 was tabled at the end of

January, 1946. As of March 31, 1945, the gross debt of the Union of South Africa was £540,127,892, an increase of £65,473,714, while the net debt, after allowing for sinking fund holdings, was £527,118,442. Of the total debt, 96·64 per cent is internal and 3·36 per cent external; the respective percentages in 1912 were 88 and 12. Interest liability on the debt is £16,617,808, giving an average rate of 3·077 per cent; external debt interest is slightly higher with an average of 3·72 per cent. Expenditure on war account during the year 1944-45 amounted to £140,932,816.

State revenue during the first ten months of the current fiscal year, that is until the end of January, 1946, shows the income of the South African Government to be £101,421,437 as compared with £89,624,576 at the same time in 1945. The most noteworthy increase is from customs and excise duties; customs revenue is up nearly £3 million, and income from excise duties has increased by upwards of £2 million. Posts and telegraphs show an increase of almost £1 million.

In his budget speech, on February 28, 1946, the Minister of Finance stated that estimated expenditure for the

fiscal year 1945-46 was now £135,544,995, an increase of nearly £12 million over the original estimate, against which can be placed estimated savings on expenditure, excess of final receipts, overestimated surplus and amount by which revenue is expected to exceed estimates, all of which total over £15 million. For the fiscal year 1946-47 the estimated expenditure is down by about £15 million, the total being placed at £120,510,150. The decrease will be applied to the reduction of import duty on gasoline, abatement and reduction of excess profits duty, trade special levy and personal levy, reduction of taxation on gold mining, and a number of lesser items totalling nearly £18 million, against which must be placed some increases in income tax resulting from the reduction in other taxes.

The substantial revenue accruing to all four provinces of South Africa through taxation on betting exceeds the estimates. The provinces budgeted for a total income from racing and betting taxation of £1,136,000 during the financial year ending March 31, 1946, but their total receipts at the end of the first nine months amounted to £1,192,520.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial business centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola); and Mr. J. L. Mutter, formerly Commercial Secretary at Havana, Cuba, who

is being transferred to Santiago, Chile (territory includes Bolivia).

Mr. Allen will visit Vancouver and Victoria May 13 to May 22, and Mr. Mutter will be in Ottawa on May 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; and for Ottawa, with the Department of Trade and Commerce.

ASSISTANCE THAT CAN BE GIVEN BY CANADIAN TRADE COMMISSIONERS TO EXPORTERS AND IMPORTERS

Many manufacturers, exporters and importers are apparently not fully advised as to the valuable services that can be rendered by Canadian Trade Commissioners. The following is, therefore, issued with a view to rendering the activities of Canadian Trade Commissioners of greater benefit to manufacturers, exporters and importers generally.

The *Commercial Intelligence Journal* contains reports prepared by the various Trade Commissioners abroad, and both exporters and importers will find therein the answers to many of the questions raised. The subscription rate for this publication is \$1 a year in Canada and orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Assistance to Exporters

GENERAL COMMERCIAL INFORMATION

For information of a general character concerning the demand for Canadian goods in foreign markets, trade inquiries, customs duties, and import restrictions into other countries, exporters may address inquiries to the Foreign Trade Service, Department of Trade and Commerce, Ottawa. *All firms interested in exporting should be listed in the Exporters' Directory*; application forms may be obtained from the Exporters' Directory Section, Department of Trade and Commerce, Ottawa.

DETAILED INFORMATION AND ASSISTANCE

1. Exporters requiring more specific information along the following lines should address inquiries to the Trade Commissioner in the territory concerned:—

- (a) Present and prospective market demands.
- (b) Foreign and local competition (with sample catalogues and prices if desired and obtainable).
- (c) Best selling methods.

- (d) Reports on foreign firms, if not available at Ottawa.
- (e) Specifications of goods in particular demand.

2. Trade Commissioners will also:—

- (a) Recommend to intending Canadian exporters the names of responsible parties in a position to act as agents or buyers and distributors.
- (b) Give every possible assistance to such agents, etc., and will introduce them to influential individuals or associations who may be in a position to buy goods from Canada.
- (c) Give confidential information, when so requested, as to the activities of a Canadian exporter's agent or firms to whom sales have been or are being made.

3. Trade Commissioners can assist in advising Canadian exporters and manufacturers:—

- (a) As to the best media in which to place advertisements and the form which such advertisements should take, i.e., their adaptation to the special requirements of the community.
- (b) In the display of catalogues, price lists, and samples where they can be seen by potential buyers.
- (c) As to the distribution of trade literature and its probable cost.

GENERAL

- 4. (a) Trade Commissioners will always be glad to receive visitors from Canada and introduce them to possible buyers or agents or put them in touch with legal advisers, interpreters, and shipping and banking representatives.
- (b) The assistance of Trade Commissioners can always be invoked with a view to settling

difficulties which may arise between Canadian exporters and buyers abroad.

- (c) Trade Commissioners will at any time provide such information as may be available as to local freight rates, tariffs, port dues, etc., so as to enable Canadian exporters to quote prices for delivery overseas. They will be glad also to provide information respecting cost of travel, regulations applicable to commercial travellers, packing and marking of goods, shipping accommodation, storage arrangements, and any other foreign government regulations or conditions which have to be complied with.

FINANCIAL ARRANGEMENTS

5. Particulars can be obtained by exporters with regard to:—

- (a) Terms of credit which may be given to foreign buyers.
- (b) Financial houses and banks which will discount bills or give credit.
- (c) Regulations governing the recovery of debts in foreign countries.
- (d) Disposal of goods abroad contracted for but not accepted by foreign buyers.
- (e) Infringement of trade-marks or patent rights and advice on registration.

INFORMATION EXPORTERS CAN GIVE TO TRADE COMMISSIONERS

A Canadian firm deciding to enter export markets, should first, in his preliminary investigations, obtain as much information as possible from the Foreign Trade Service, Department of Trade and Commerce, Ottawa. The exporter should also secure a listing in the Department's confidential Exporter's Directory, an up-to-date copy of which is maintained in the office of every Canadian Trade Commissioner abroad. This directory provides the Trade Commissioner with first-hand

information on Canadian exporters, and enables him to give immediate and direct assistance to any listed Canadian firms writing him.

The exporter should *with his first letter* provide the Trade Commissioner with the following basic information:—

- (a) Catalogues and best export prices c.i.f. port of entry or, failing that, f.o.b. Canadian port. It is quite useless to send prices f.o.b. factory.
- (b) Details regarding process of manufacture if convenient.
- (c) Technical information covering use of product, where applicable.
- (d) Bankers' references.
- (e) Time required to ship from receipt of order, and the quantities for which orders will be accepted.
- (f) Details of experience he has had in the territory served by the Trade Commissioner.
- (g) Information regarding previous connections, if any, which he has, either with agents or importers. If connections still exist, what, if any, bearing will they have on fresh contacts that may be established through the efforts of the Trade Commissioner.
- (h) The marketing methods the exporter has found to be most successful at home or in other foreign markets, and the type of distributor or agent believed to be most desirable.

NOTE: Samples should not be sent to the Trade Commissioner or to prospective agents with the first exchange of correspondence. In some countries there are regulations governing the sending of samples, and, if these are not rigidly adhered to, heavy fines may be levied, irrespective of whether there is any attempt to defraud the Customs concerned, and there may be no appeal. Further, in order to avoid unnecessary expense, it is advisable to await a request for samples, and instructions as to how they are to be sent should be followed to the letter.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported and can then either place the exporter in communication with reliable importers or recommend suitable agents.

Assistance to Importers

COMMERCIAL INFORMATION

For general import information concerning production, supply and price conditions in foreign markets, movement of goods, trade inquiries, and Canadian import requirements, importers may address inquiries to the Import Division, Foreign Trade Service, Department of Trade and Commerce, Ottawa. *Also, all Canadian firms interested in importing should be listed in the Directory of Canadian Importers, maintained by the Import Division, from which application forms may be obtained.*

1. Importers requiring specific information with regard to the following are also invited to address their inquiries to the Trade Commissioner in the territory concerned:—

- (a) Present and expected supply of goods.
- (b) Types and classes of goods offering.
- (c) Competitive nature of goods, with prices, terms and catalogues.
- (d) Best purchasing methods.
- (e) Reports on suppliers.
- (f) Specifications and quality of goods in supply.
- (g) Basis on which sales should be made.
- (h) Definite inquiries received on exporting goods to Canada.
- (i) Shipping services.
- (j) Foreign government export licensing.

2. Trade Commissioners will also:—

- (a) Recommend to intending Canadian importers the names of responsible supply houses, manufacturers and their agents.

- (b) Give every possible assistance to such suppliers and provide them with information on Canadian import requirements.
- (c) Advise Canadian importers as to the best methods of approach to foreign suppliers of import materials, marketing organizations, control boards, etc.

GENERAL

3. (a) Trade Commissioners will always be glad to receive visits from Canadian importers, introduce them to supply houses or agents, put them in touch with legal advisers, interpreters, shipping and banking representatives, advise them generally on cost of travel, and assist them in every way possible.
- (b) The good offices of Trade Commissioners can always be invoked with a view to settling difficulties which may arise between Canadian importers and foreign sellers.

DOCUMENTATION, INVOICING, CUSTOMS

4. Trade Commissioners, on request, also serve to protect Canadian importers by providing supply houses or agents in their territories with general information concerning:—

- (a) Canadian regulations and documentation governing imports into Canada.
- (b) Certification of documents.
- (c) Canadian Customs invoicing.
- (d) Marking, packing, and general handling of products.
- (e) Canadian Customs tariff rulings as requested.
- (f) Import permits and quotas.

FINANCIAL ARRANGEMENTS

5. Particulars can be obtained by importers with regard to:—

- (a) Financing.
- (b) Terms of purchasing.
- (c) Basis of payments.
- (d) Exchange factors and exchange control regulations.

INFORMATION IMPORTERS CAN GIVE TO TRADE COMMISSIONERS

A Canadian manufacturer desiring to obtain goods and materials from abroad, or who is investigating the possibility of importing needed supplies, will find it of value to first obtain the assistance of the Import Division, Foreign Trade Service, Ottawa, as this Division, working through the Trade Commissioner Service and other channels, is developing general information for the advantage of Canadian importers. In competitive lines it is at times of primary importance for the importer to become informed of such factors as where goods are moving, through what hands, by what shipping and other trade services, etc., and, through the agency of the Import Division and the Foreign Trade Service as a whole, such trade "intelligence" on commodity movement can be provided on inquiry from importers. The importer should obtain a listing in the confidential Directory of Canadian Importers, an up-to-date copy of which is maintained in the office of every Trade Commissioner. This directory provides the Trade Commissioner with complete details on Canadian importers, and enables him to render direct and imme-

diately assistance to any Canadian importer so listed.

When an importer is ready to solicit the services of a Trade Commissioner abroad, he should, in his first letter, provide the following basic information:—

- (a) Banking and trade references.
- (b) Nature of his business, i.e., manufacturer, importer, etc.
- (c) Whether previously engaged in import trade.
- (d) Experience he has had, if any, in territory served by the Trade Commissioner, and if at present importing materials therefrom.
- (e) Specific details on materials required.
- (f) Price range to be met, and basis on which prices should be quoted.
- (g) Quantity and quality of goods required, if to be purchased on consignment or outright sale, and when required for delivery.
- (h) Possible future requirements.

This information will enable the Trade Commissioner to canvass prospective suppliers, advise the Canadian importer of the response to his inquiry, and place such importer in touch with any interested suppliers.

CANADIAN SHIPPING BOARD ORDER No. 6

Under date April 4, 1946, the Canadian Shipping Board issued its Order No. 6, modifying the ship licensing restrictions which have been in force since the beginning of the war.

The effect of this Order, which revokes and replaces all previous Orders, is to withdraw ship licensing requirements for all Canadian vessels employed in home-trade, inland, or minor-waters voyages. However, licences are still required for all vessels of, or over, 500 tons gross register going on foreign voyages, and the War Shipping Administration will continue to require United States ship warrants for foreign-going and home-trade ships calling at United States ports.

Section 2 of this Order relaxes the Board's control over charters. In future the Board's approval will be required only for charters of foreign-going vessels of, or over, 500 tons gross register.

The text of Order No. 6 is as follows:

Canadian Shipping Board Order No. 6

The Canadian Shipping Board, under the authority of Regulation 44 of the Defence of Canada Regulations (Consolidated 1942), and P.C. 6785, dated July 31, 1942, hereby makes the following Order, effective April 5, 1946:

1. (a) No British ship registered in Canada shall proceed on any

voyage except under the authority of, and in accordance with, a licence granted by the Board

(b) provided, however, that a licence shall not be required for:

- (i) vessels of less than 500 tons gross register
- (ii) vessels employed in "home-trade voyages", "inland voyages" or "minor-waters voyages" (as defined in the Canada Shipping Act, 1934: Appendix "A" hereto).

2. All persons or parties, agencies, organizations or associations proposing to charter any vessel of, or over, 500 tons gross register for a "foreign voyage" (defined in Appendix "A" hereto) shall submit in advance full particulars, including rates and conditions of charter hire, to the Director of Shipping for approval on behalf of the Board, and no such charter as aforesaid shall be made without such approval.

3. The following Orders of the Board are hereby revoked:

Orders Nos. 1 and 2 made on April 6, 1940.

Order No. 3 made on Nov. 15, 1941.

Order No. 4 made on Aug. 4, 1942.

Order No. 5 made on Dec. 3, 1943.

APPENDIX "A"

CANADA SHIPPING ACT, 1934: EXTRACTS

26. "Foreign voyage": a voyage extending beyond the area of a home-

trade voyage, and not being an inland or minor-waters voyage.

38. "Home-trade voyage": a voyage not being an inland or minor-waters voyage between places within the area following, to wit:—Canada, the United States of America, the Territory of Alaska not west of Cape Spencer, Newfoundland, Labrador, St. Pierre and Miquelon, in the course of which a ship does not go south of the 36th parallel of north latitude or through Behring Strait.

40. "Inland voyage": a voyage not being a minor-waters voyage, on the inland waters of Canada (i.e., all the rivers, lakes and other navigable fresh waters within Canada, and includes the river St. Lawrence as far seaward as a line drawn from Father Point to Point Orient), together with such part of any lake or river forming part of any such water as lies within the United States of America.

57. "Minor-waters voyage": a voyage within the following limits, to wit:—the minor waters of Canada (all inland waters of Canada other than Lakes Ontario, Erie, Huron (including Georgian Bay), Superior and Winnipeg, and includes all bays, inlets and harbours of or on the said lakes and said Georgian Bay), together with such part of any lake or river forming part of any such water as lies within the United States of America.

POSTAL SERVICES AND RATES

Germany

MAIL SERVICE RESUMED

A restricted mail service has been resumed to Germany. Correspondence is limited to non-illustrated postcards and to letters weighing not more than one ounce on personal and family matters only. No business communications can be accepted. Envelopes must be plain, without lining or design; and the address is to include the following particulars in the order shown: name, town, street and house number, province, postal district number, zone of occupation, Germany.

Details of province, postal district number and zone of occupation are not required in the case of correspondence for Berlin. Postage rates are 5 cents for letters and 3 cents for postcards. Air mail, registration, money order and parcel post services are not yet available.

Eire

CANADA AIR LETTER SERVICE AVAILABLE

Eire now participates in the Canada Air Letter Service and, accordingly, these forms will be accepted for that country at the same rate applying to Great Britain, 10 cents each.

REVISED UNITED STATES CEILING PRICES FOR WESTERN PINE AND DOUGLAS FIR LUMBER

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian Embassy at Washington*

The Office of Price Administration has issued two amendments to the Maximum Price Regulations for Douglas fir and Western pine lumber granting an increase in the mill ceiling prices.

Amendment 4 to Revised Maximum Price Regulation 94 (Western Pine and associated species of lumber), effective April 5, 1946, allows an average increase of \$4.60 per thousand board feet in mill ceiling prices of Western pine lumber. The increases range from 50 cents per linear foot for battens to \$8.25 for certain types of Ponderosa pine bevel siding.

Amendment 23 to Revised Maximum Price Regulation 26, (Douglas fir and other West Coast lumber), effective April 6, 1946, grants an increase of approximately \$4 per thousand board feet in mill ceilings for Douglas fir lumber. The amendment also grants

an increase of about \$2 per thousand board feet in the mill ceilings for Western hemlock dimension lumber.

Section 10 of Revised Maximum Price Regulation 26, which affects Canadian lumber, has been revised to read as follows:

Lumber produced in Canada: The maximum prices for lumber produced in Canada west of the crest of the Cascade Mountains and imported into or resold in the United States are the maximum prices, f.o.b. mill, set forth in Article V, plus additions for transportation permitted in Section 7. Provided, however, that the amount of such addition may not be greater than if the shipment had originated at Seattle, Wash.

Under this provision, Douglas fir and other West Coast lumber bought in Canada, whether for personal use or resale in the United States, shall not cost more at destination than if it were purchased in the United States.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 141, effective April 15, 1946:

1. Export control is reimposed on shipments of plate, window and sheet glass, and cullet (broken glass), including ground glass, included in Group 7 (Non-metallic Minerals and their Products), and on casein, included in Group 8 (Chemicals and Allied Products), so that export permits will be required for shipments of these commodities when consigned to any destination.

2. Export control is relaxed on shipments of all grades of copper sulphate, including blue vitriol or bluestone, included in Group 8 (Chemicals and Allied Products), so that export permits

are no longer required for shipments of this commodity except as otherwise provided by Clause 5 of the Export Permit Regulations as amended.

British Guiana

BULK PURCHASING OF FLOUR CONTINUED

The Controller of Supplies and Prices in British Guiana issued a notice on April 6, advising importers that, at the request of the Canadian authorities, it has been decided to continue the bulk purchasing of flour and the calling out of shipments by Mr. C. R. Stollmeyer, Trade Commissioner for the British West Indies and British Guiana. The reason given is that, in view of the serious world food shortage, which has necessitated the imposition of certain restrictions on the use of wheat in Canada, it appeared inadvisable to

make any change at present. Assurance has been given, however, that British Guiana would receive its normal requirements.

The notice requested importers to surrender immediately all import licences recently issued to them and requested representatives of millers to inform the Controller of Supplies and Prices of all contracts recently made and to advise suppliers that shipment will be arranged by Mr. Stollmeyer.

Jamaica

IMPORT REQUIREMENTS FOR POTATOES CHANGED

Mr. M. B. Palmer, Canadian Trade Commissioner at Kingston, reports that, effective April 5, 1946, a change was made in the regulations governing the importation of potatoes into Jamaica from the United Kingdom, Canada, New Zealand, the Bahamas, and the United States, which were (and are) the only countries whence imports were permitted. Since 1934 the importation of potatoes has been allowed, provided each shipment was covered by a certificate issued by a competent authority of the Government of the country of origin to the effect that they were home-grown, fresh, clean and free from diseases and pests. It is now provided that, in case of imports from the United Kingdom and Ireland, Canada and the United States, the certificate shall specifically state that the potatoes are not infected by wart disease (*synchritrium endobioticum*).

The change is contained in a proclamation made by the Governor of Jamaica under the Customs Law, revoking two former proclamations issued in 1934 and 1935 respectively. The requirements under these measures which relate to the importation of all fruits and vegetables (except dried and processed, grains and seeds, and onions) and which specify that the certificates shall state that the Mediterranean fruit fly (*ceratitis capitata*) does not exist in the country of origin, are embodied in the new proclamation.

Newfoundland

WAR REVENUE SURTAX ABOLISHED

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, cables that the Commissioner of Finance of Newfoundland, in his budget speech of April 18, announced the abolition, with immediate effect, of the war revenue tax of $7\frac{1}{2}$ per cent ad valorem imposed in 1940 on most imports from non-sterling countries. No other tariff changes were announced.

Netherlands

GIFT PARCELS SUBJECT TO DUTY

Mr. J. A. Langley, Canadian Commercial Counsellor at The Hague, writes under date April 10 that, effective April 16, import and excise duties will have to be paid on presents sent from abroad and on merchandise carried by travellers entering the Netherlands.

After May 1 an import permit, issued by the Import and Export Licensing Department at The Hague, will be required for goods valued at more than 25 guilders (approximately \$10 Canadian).

Gift parcels destined for and addressed to the Netherlands Red Cross Society, the Relief Action Red Cross, and such welfare organizations may be imported without payment of either the import or excise duties and without an import licence.

Peru

COMMISSION APPOINTED TO REVISE IMPORT DUTIES

Mr. W. G. Stark, Commercial Secretary, Canadian Embassy at Lima, writes under date April 8, 1946, that the Peruvian Government has recently passed a measure to appoint a Commission to revise the customs import tariff of Peru in accordance with post-war trade and economic development in the country.

According to the Resolution, the Commission must submit its report to the Customs Consulting Board before

May 31, 1946, so that the Board may study it and present it for final consideration by the Government during the first fortnight of June.

According to the trade and opinions advanced in official circles, it is anticipated that upward revisions in Peruvian tariff rates for most items, with the possible exception of those applicable to foodstuffs, will be suggested. The last general increase in Peruvian tariff rates was in December 1941, when charges on all items were advanced by 20 per cent.

Brazil

DUTY ON FEEDSTUFFS SUSPENDED

Mr. Maurice Bélanger, Commercial Secretary, Canadian Embassy, Rio de Janeiro, writes that it was announced on March 23, 1946, that customs duties and other charges on imports into Brazil of bran, pollard and broken wheat will be suspended for the ensuing six months. This measure was introduced to meet the requirements of farmers and poultry raisers.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Commercial Counsellor, Canadian Embassy, Washington, D.C., from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 30, 1946:—

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to March 30, 1946 Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c per gal.	2,638	....
Cream	Gal.	1,500,000 per calendar year	56¼a to 28¼oc. per gal.	637	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1¼c. per lb.	12,416,533‡	82.7
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1945	75 to 37½c. per 100 lb.	Quota filled	....
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1945	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	3,683	0.3
Red cedar shingles.....	Sq.	1,396,423		377,770	27.1
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1945	50 to 35% ad val.	22,393‡	22.3
Tails	Piece	5,000 beginning Dec. 1, 1945	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† For the period December 1, 1945, to March 30, 1946, imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 2,641.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date

of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

31. *Cuba*—Mr. Roque Sainz, Edificio Suarez, 8 Baratillo Street, Havana, Cuba, has expressed interest in securing the agency on a commission basis for the following Canadian products: screws, nuts, spades, brads, barbed wire, wire cloth, axes, enameled iron kitchenware, kitchen knives, faucets, machetes and pickaxes; paper, paperboard and roofing paper; pure bristle brushes; metallic and aniline colours; tractors and plows. File: C.E. 231.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Apr. 15	Nominal Quotations Apr. 23
Argentina	Peso	Off. .3282	.3282
		Free .2685	.2684
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica)	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa	Franc	.0092	.0092
French Empire—African	Franc	.0157	.0157
French Pacific possessions	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0049	.0049
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, **Canadian**, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).

Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.

Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 9, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

OTTAWA, MAY 4, 1946

TRADE OF NEWFOUNDLAND IN 1944-45

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

Newfoundland's foreign trade reached record proportions in the fiscal year 1944-45, values of both imports and exports being the highest in the country's history. Customs revenue—the most important single source of national income—totalled \$19,085,484 in 1944-45 as compared with \$15,897,576 in the previous fiscal year. The Customs Department adopted a new and more comprehensive classification system in compiling the returns of imports and exports in 1944-45 and, as a result, the information available, covering imports into and exports from the country, is more detailed than was the case previously. As this was the first year in which the new system operated, it is not possible in some cases to supply comparative figures for previous years. Newfoundland's foreign trade during the year followed the same pattern as in recent years, imports being supplied largely from Canada and the United States. Imports from the United Kingdom, normally a leading supplier, were considerably lower than in the pre-war period. These three countries were also the principal purchasers of Newfoundland's products.

Total Trade

There have been progressive increases in Newfoundland's foreign trade each year since the outbreak of war, and for 1944-45 the total value amounted to \$114,536,046 as compared

with \$106,933,269 for 1943-44. The 1944-45 total represents an increase of more than 100 per cent over 1938-39 figure, when total trade was valued at \$56,447,692.

A statistical summary of values of total trade, imports, and exports for the fiscal years 1944-45; 1943-44; the nine-month period ended March 31, 1943; 1941-42; and 1938-39 is shown in Table 1.

Prior to 1942-43 the Newfoundland fiscal year covered the period July 1 to June 30; it was changed in 1943 to cover the period April 1 to March 31.

IMPORTS BY COUNTRIES

Newfoundland is dependent upon outside sources for a wide range of products, which include foodstuffs, textiles and apparel, building materials, electrical goods, hardware, chemicals, machinery and manufactured articles. The only large-scale industries are those engaged in the production of pulp and paper, minerals and fish for export. A number of small plants produce margarine, biscuits and confectionery, paints, boots and shoes, wood and coal ranges, rope, furniture, concrete blocks, soft drinks, cigarettes, beer, and marine engines for the domestic market. In 1944-45 Canada, the United States and the United Kingdom supplied more than 98 per cent of Newfoundland's total imports. Consumer

TABLE 1

Statistical Summary of Newfoundland Trade

	1944-45	1943-44	1942-43*	1941-42	1938-39
Imports	\$ 65,824,066	\$ 62,488,649	\$ 52,376 886	\$ 64,584,895	\$ 24,460,618
Exports	48,711,980	44,444,620	30,928,201	39,399,640	31,987,344
Total	\$114,536,046	\$106,933,269	\$ 83,305,087	\$103,984,534	\$ 56,447,962

*Nine-month period.

TABLE 2
Newfoundland Imports by Countries

	1944-45	1943-44	1938-39	1937-38
Total	\$65 824,066	\$62,488,649	\$24,196,618	\$27,912,351
Canada	43,034,879	41,483,171	9,196,212	9,973,700
United States	19,362,642	18,110,312	7,677,814	9,408,729
United Kingdom	2,088,003	2,039,041	5,877,670	6,351,620
Barbados	427,782	270,041	.....	.....
Switzerland	382,115	92,740	7,241	5,462
Portugal	161,165	83,326	13,281	16,853
Cuba	74,417	11,769	313	125
Jamaica	73,946	52,283	7,646	7,511

buying habits in Newfoundland are similar to those prevailing in Canada and the United States and, as the procurement of goods normally presents little difficulty, trading relations between Newfoundland importers and Eastern Canadian and United States exporters are of long standing. Newfoundland is a traditional United Kingdom market and, with an improvement in the supply position in that country, a larger volume of imports will likely be forthcoming therefrom than has been the case throughout the wartime period. The United Kingdom is accorded a tariff preference ranging from 5 to 10 per

cent over Canada and the United States on many items in the customs tariff. The principal sources of supply of Newfoundland's imports in the fiscal years 1944-45, 1938-39, and 1937-38 are shown in Table 2.

PRINCIPAL IMPORTS.

The leading imports, from the standpoint of value, into Newfoundland in the fiscal year 1944-45, with comparative figures for 1943-44, are shown in Table 3.

Imports by the armed forces in 1944-45 were valued at \$8,782,933 as against \$13,412,600 in the previous fiscal year.

TABLE 3
Principal Imports into Newfoundland

	1944-45	1943-44
Gasoline and motor fuel	\$4 867,040	\$ 795,916
Coal, bituminous	3,244 829	2,094,959
Bunker fuel oil	2,397,523	215,748
Wheat flour	2,313,827	2,221,551
Woollen manufactures, including apparel	1,716 453	*
Cigarettes	1,208,805	162,994
Pickled beef	1,203,745	1,945,068
Sugar	1,125,582	889,962
Beef	1,078,346	*
Pickled pork	951,976	993,234
Crude petroleum	810,803	807,188
Cotton fabrics	733,768	*
Tea	667,913	629,174
Cotton wearing apparel	660,940	*
Milled animal and poultry feeds	624,779	653,328
Evaporated milk	583,035	*
Parcel post	579,799	584,662
Beer, ale and porter	569,507	340,313
Eggs	534,631	241,149
Oranges, fresh	504,398	588,424
Confectionery in five-cent packages	489,873	393,095
Oats	489,029	440,896
Bologna	486,239	334,196
Potatoes	484,526	366,080
Apples, fresh	477,594	425,557
Smoked and cured meats	459,299	*
Poultry and game	446,562	233,035
Whisky	427,703	344,128
Pork	415,694	*

*Not listed separately in the official statistics.

TABLE 4
Newfoundland Exports by Countries

	1944-45	1943-44	1938-39	1937-38
Total domestic exports	\$46,414,485	\$42,397,415	\$31,376,144	\$34,482,580
United States	12,836,809	13,583,527	7,159,551	8,112,360
United Kingdom	12,055,626	11,436,099	11,251,226	13,172,400
Canada	6,294,506	6,924,088	2,031,231	2,822,228
Portugal	3,488,789	2,200,844	1,034,184	524,698
Spain	2,079,006	2,822,867	nil	29,583
Mexico	1,697,750	692,048	nil	nil
Jamaica	1,594,712	Included with B. W. Indies Figures		
Greece	1,386,137	nil	383,600	443,075
Puerto Rico	1,244,532	1,365,016	Included with foreign W. Indies Figures	
Argentina	746,107	568,413	nil	151
Italy	655,459	nil	916,381	582,480

There were substantial increases in the value of imports under all headings in 1944-45 as compared with pre-war levels. The bulk of the imports was previously confined to lower-priced articles, but the market for quality goods has expanded, particularly in the urban areas. It is unlikely that there will be any drastic reduction in the volume of imports during 1946, as Newfoundland's basic exports continue to be in good demand at profitable prices. Efforts are being made to increase agricultural production in the country in order to reduce the imports of vegetables and other agricultural products to a minimum. Some headway has been made, but foodstuffs still make up a large percentage of the country's imports.

EXPORTS BY COUNTRIES

Newfoundland's exports and re-exports in 1944-45 were valued at \$48,711,980, an increase of \$4,267,360 as compared with the 1943-44 figure. The value of the country's exports has been climbing steadily over the past few years. Newfoundland's domestic

exports to leading markets in the fiscal year 1944-45, with comparative figures for 1943-44, 1938-39, and 1937-38, are shown in Table 4.

Prior to the war, Belgium, Holland, Germany and France were important markets for Newfoundland's iron ore, lead and zinc concentrates, but in 1944-45 these minerals were shipped only to the United States, Canada and the United Kingdom. Newsprint exports in 1944-45 were consigned to a number of countries, including the United Kingdom, United States, Mexico, Argentina and Australia, whereas pre-war output was largely shipped to two markets, the United Kingdom and the United States. Salt codfish shipments to Greece and Italy were resumed in 1944-45 after a lapse of several years.

PRINCIPAL EXPORTS

Newfoundland's exports are made up largely of fishery products, pulp and paper, and minerals, and in 1944-45 accounted for 47 per cent of total domestic exports. Table 5 shows ex-

TABLE 5
Newfoundland Exports by Commodity Groups

	1944-45	1943-44
Products of the fisheries	\$21,869,343	\$18,486,226
Products of the forests	3,824,445	1,915,514
Products of the mines	7,024,075	8,029,416
Products of agriculture	51,371	34,443
Miscellaneous domestic products	482,273	491,776
Local manufactures	13,162,978	13,440,040
	\$46,414,485	\$42,397,415
Foreign goods re-exported	2,297,495	2,047,205
Total	\$48,711,980	\$44,444,620

ports for the fiscal year 1944-45, classified by groups, with comparative figures for the previous fiscal year.

Dried and salted codfish is still Newfoundland's principal fishery export. Total shipments in 1944-45 were valued at \$12,158,164, which compares favourably with \$12,217,762 for the previous fiscal year. In the period under review this commodity was exported to twenty-four overseas markets, the more important of which were: Portugal, \$3,471,037 (\$2,164,962 in 1943-44); Spain, \$2,069,281 (\$2,822,195); Jamaica, \$1,594,125 (not listed separately); Puerto Rico, \$1,243,612 (\$1,349,204); Greece, \$978,384 (nil); Italy, \$652,459 (nil); Brazil, \$389,317 (nil).

The value of newsprint exports increased from \$11,047,719 in 1943-44 to \$12,642,913 in 1944-45. Newsprint was shipped to sixteen different markets, the largest purchaser being the United Kingdom with imports valued at \$5,125,688 in 1944-45 (\$4,918,760 in 1943-44); United States, \$4,486,741 (\$4,446,243); Mexico, \$1,697,750 (\$692,048); Argentina, \$746,107 (\$508,413); and Australia, \$340,934 (\$171,510).

There has been a large increase in the output of cod fillets over the past seven years. Exports of this commodity in the fiscal year 1944-45 were valued at \$3,855,787 as against \$2,351,751 in 1943-44 and only \$50,621 in 1937-38. A further increase is expected in the fiscal year 1945-46, as forty-four filleting plants and fourteen freezing plants were in operation during 1945. The bulk of the cod fillets exported during 1944-45 was consigned to the United Kingdom, that market taking shipments valued at \$2,070,828 as compared with \$963,741 for Canada and \$821,023 for the United States.

Prior to the war the herring fishery occupied a relatively unimportant place in the country's fisheries, the total value of exports in the fiscal year 1938-39 being \$250,000. Contracts with FEA and UNRRA have provided a great stimulus to this section of the industry, and in the fiscal year 1944-45

total value of exports of herring of all types had increased to \$1,660,902. A further contract for 210,000 barrels of hard-cured split herring was recently concluded with UNRRA, and it is estimated that the value of exports in the calendar year 1946 will exceed \$4,000,000.

Sulphite pulp exports were valued at \$1,761,620 in 1944-45 compared with \$1,768,138 in the previous fiscal year. The two principal markets for sulphite pulp were the United Kingdom with exports valued at \$1,552,136 in 1944-45 and \$1,176,842 in 1943-44 and the United States \$109,483 and \$591,296 respectively in the same two years.

As shown in Table 5, mineral exports declined in 1944-45 as compared with those recorded for the previous fiscal year. The principal minerals exported included zinc concentrates, valued at \$1,611,404 in the fiscal year 1944-45 as compared with \$1,701,777 in 1943-44; iron ore, \$1,474,346 (\$2,019,695); lead concentrates, \$1,290,331 (\$1,414,535); fluorspar, \$1,059,384 (\$1,360,659); copper concentrates, \$1,033,316 (\$927,621); and limestone, \$313,250 (\$306,150).

Other important exports from Newfoundland during the fiscal year 1944-45 were dry groundwood, valued at \$998,465 as compared with \$52,153 in 1943-44; refined cod liver oil, \$816,546 (\$605,934); ground pulp, \$787,793 (\$1,441,202); fresh and frozen salmon, \$487,976 (\$299,273); fresh lobster, \$336,923 (\$225,935); common cod liver oil, \$478,380 (\$605,934); whale oil, \$292,169 (\$47,025); pitprops, peeled, \$319,131 (\$202,829); fresh blueberries, \$154,117 (\$142,855); undressed seal-skins, \$153,242 (\$47,451); herring meal, \$115,173 (\$142,193); and lingon berries, \$110,660 (\$41,633).

Newfoundland's Trade with Canada

Trade between Newfoundland and Canada has increased substantially during the past six years. During the wartime period, Newfoundland was dependent on Canada for foodstuffs and other supplies, and the volume of

TABLE 6

Newfoundland Imports from and Exports to Canada

	1944-45	1943-44	1941-42	1940-41	1938-39
Imports	\$43,034,879	\$41,483,171	\$38,758,646	\$18,594,973	\$ 9,196,212
Exports, including re-exports	7,388,178	8,516,044	5,549,102	3,885,926	2,454,648
Total trade	\$50,423,057	\$49,999,215	\$44,307,748	\$22,480,899	\$11,650,860

imports from the Dominion has shown a heavy increase, reaching an all-time high in the fiscal year 1944-45. Canada's purchases from Newfoundland have also risen over the same period and are now considerably higher than prior to the war. The extent of the increased trade between Canada and Newfoundland is indicated in Table 6, showing imports from and exports to Canada in the fiscal years 1944-45, 1943-44, 1941-42, 1940-41, and 1938-39.

EXPORTS TO CANADA

Newfoundland's exports to Canada have been increasing in both variety

and volume in recent years, and the Dominion is an important market for Newfoundland's iron ore, fluorspar, limestone and fresh fish such as lobster, herring, and salmon; in the fiscal year 1944-45 exports of cod fillets to Canada were also in substantial volume. It is expected that the rise in exports to Canada which has taken place over the past five years will be continued as Newfoundland's production increases and becomes more diversified. The principal exports from Newfoundland to Canada in the fiscal year 1944-45, with comparative figures for 1943-44, are shown in Table 7.

TABLE 7

Newfoundland Exports to Canada

	1944-45	1943-44	1938-39
Total, including re-exports	\$7,388,178	\$8,516,044	\$2,454,648
Iron ore	1,404,815	2,013,575	1,210,086
Cod fillets	963,741	1,040,735	678
Fluorspar	622,759	1,152,634	39,165
Refined cod oil	469,680	183,336	14,913
Limestone	313,040	306,150	163,200
Whale oil	292,169	46,982	Nil
Lead concentrates	268,080	Nil	Nil
Fresh and frozen salmon	265,786	257,712	144,956
Live lobster	179,382	156,773	13,464
Common cod oil	143,300	178,729	20,441
Zinc concentrates	142,102	Nil	Nil
Codfish, dry or salt	130,559	595,203	93,158
Fresh herring	92,557	26,034	558
Newsprint	81,844	55,676	Nil
Herring oil	79,119	29,509	Nil
Copper concentrates	77,483	Nil	Nil
Pickled dressed herring	76,362	159,893	1,444
Magnetite	70,500	121,500	Nil
Fresh blueberries	57,500	Nil	2
Lingon berries	40,052	17,239	10,252
Pickled turbot	39,384	45,651	14,393
Muskrat	39,148	Not listed	
Scotch-cure herring	34,215	53,728	8,198
Seal oil	33,259	8,878	21,680
Herring fillets, pickled	32,617	30,094	Nil
Canned salmon	24,603	18,034	6,044
Pickled split herring	22,457	8,486	12,416
Canned lobster	18,652	30,374	106,266
Mink	16,994	Not listed	
Halibut	14,991	31,454	13,282
Lynx	14,613	Not listed	
Smelts	14,238	11,970	5,420

IMPORTS FROM CANADA

Newfoundland is an important Canadian export market. In the calendar year 1944 it was one of seven leading purchasers of the Dominion's products, and since 1935 has been among the first ten of Canada's markets. An extensive number of Canadian commodities are shipped to Newfoundland and this country is a large importer of Canadian agricultural and packing-house products, including beef, eggs, pork products, potatoes, poultry and game, animal feeds, apples, pickled beef and pork, live cattle, canned meats, butter and cheese. Essential foodstuffs such as flour; evaporated, condensed and powdered milk; canned vegetables

and soups; packaged cereals; jams; jelly and custard powders; dried beans; biscuits; tea; and fruit juices have been regularly imported from Canada. The range of articles, in addition to agricultural and food products, imported from Canada into Newfoundland is varied, and during the wartime period a large percentage of the country's requirements of wearing apparel, chemicals and drugs, hardware, building materials, footwear, electrical goods, and durable consumer goods was obtained from the Dominion.

Newfoundland enjoyed a period of unparalleled prosperity throughout the war, and increased spending power resulted in an increase in both the

TABLE 8

Principal Imports into Newfoundland from Canada

	1944-45	1943-44	1938-39
Total	\$43,034,879	\$41,483,171	\$ 9,196,212
Aviation gasoline and motor fuel	4,324,115	795,717	380,902
Coal, bituminous	2,551,175	1,042,233	428,096
Bunker fuel oil	2,391,172	215,748	4,518
Wheat flour	1,874,454	2,062,545	1,182,535
Beef	1,040,054	869,653	191,210
Cigarettes	787,711	4,948	1,412
Crude petroleum and fuel oil	729,612	806,923	100,067
Tea	667,738	521,399	29,714
Beer, ale and porter	508,565	280,470	4,882
Eggs in shell	512,043	197,287	33,602
Pork, pickled	491,863	298,160	84,324
Oats, whole or crushed	489,006	438,484	83,924
Bologna and sausages	485,879	355,817	103,603
Potatoes	475,135	292,893	24,714
Smoked cured meats	440,232	106,200	34,288
Poultry and game	436,186	143,748	39,817
Confectionery in 5-cent packages	426,217	256,316	26,863
Milled animal and poultry feeds	415,343	356,144	242,604
Apples	404,400	368,689	58,667
Pork	401,700	Not listed	separately
Evaporated milk	397,848	Not listed	separately
Animals (live cows)	383,510	216,752	76,613
Parcel post shipments	373,645	393,925	4,965
Canned meats	371,347	....	....
Beef pickled	346,780	193,080	17,183
Motor fuel, coloured low-octane	330,225	286,588	Not listed
Whisky	288,067	194,968	329
Gasoline and motor fuel n.o.p.	263,584	....	Not listed
Overshoes, gaiters, etc.	260,118	....	Not listed
Butter	255,882	178,965	60,628
Dresses	238,121	....	....
Railway cars, freight	227,520	20,985	3,301
Cheese	218,001	236,146	91,994
Soups	210,024	80,237	31,362
Oranges	205,368	214,663	65,289
Lubricating oil	203,173	237,731	41,243
Sugar	200,247	69,095	46,010

volume and the variety of the country's imports. This is indicated in Table 8, which lists the principal imports from Canada in 1944-45, with comparative figures for 1943-44 and 1938-39.

Many commodities not previously supplied from Canada in large volume are now coming forward in good supply, and new lines formerly imported from other sources are becoming established on the market. The extent of the increase in the values of the more important products imported from Canada in 1944-45 is indicated in Table 8 and, with the exception of flour, the rise is in all cases substantial. Imports of gasoline, bituminous coal, bunker fuel oil, cigarettes, beer and whisky will likely decline from the high level of 1944-45, as the wartime demand for these products has fallen drastically. There should be only a slight decrease, however, in the values of imports of the other leading items for the fiscal year 1945-46.

Other commodities forthcoming from Canada with slightly lower values than those enumerated in Table 8 include: hams and tongues, \$199,368 in 1944-45 (\$84,829 in 1943-44); ladies' full-fashioned hosiery, \$187,711 (not listed); horses and other draught animals, \$173,393 (\$93,665); long rubber boots, \$171,730 (\$111,155); wire manufactures n.o.p., \$166,391 (\$1,837); hay, \$165,838 (\$85,139); men's and boys' suits, \$164,651 (not listed); bulls and oxen, \$159,460 (\$97,032); automobile parts, n.o.p., \$157,173 (\$104,620); ready-mixed paints and enamels, \$155,829 (\$156,771); fruit juices, \$151,958 (\$122,804); fertilizer mixtures, n.o.p., \$141,536 (not listed); wire screen for pulp-making machines, \$141,536 (not listed); veal, \$139,637 (not listed); food flavourings and essences, \$133,553 (not listed); laundry soap, \$132,981 (\$138,433); motor trucks and buses and chassis (new), \$129,900 (not listed); kerosene, \$123,672 (\$154,809); soap powder, \$121,845 (\$111,616); white pine, \$121,446 (not listed); locomotive parts and accessories, \$121,054

(not listed); building and roofing composition, \$119,986 (not listed); parts for construction equipment, \$119,938 (not listed); batteries and parts, \$115,593 (not listed); men's and boys' shirts, \$113,484 (not listed); onions, \$110,983 (\$68,011); fibreboard, \$110,375 (\$143,323); women's boots and shoes of leather and imitation leather, \$110,087 (\$92,710); coats and skirts, \$108,940 (not listed); men's and boys' overcoats, \$108,095 (not listed); confectionery, other than five-cent packages, \$106,427 (\$50,088); marine Diesel engines, not over 200 h.p., \$104,132 (not listed); mutton and lamb, \$103,967 (not listed); beans and lentils, \$100,106 (\$89,625).

Trade Prospects

Newfoundland will be assured of lucrative markets for dried and salt codfish during 1946, if the recommendation of the Fishery Products Committee of the Combined Food Board to continue the distribution of this commodity for the balance of the year is accepted. In addition the Newfoundland Fisheries Board has concluded with UNRRA a further contract for 210,000 barrels of split herring. It was announced recently that a new contract calling for the supply of 7,392,999 pounds of frozen cod fillets to the United Kingdom during 1946 had been concluded. Newfoundland paper mills are operating at capacity, and the iron ore mines at Bell Island are working on a six-day week. Certain specialty lines are now in freer supply than during the past few years. There is an accumulated demand for a wide range of textiles, clothing, apparel, building materials, electrical appliances, motor vehicles, foodstuffs and many other commodities which are in short supply. The immediate trading outlook is most promising, and there is every indication that the prosperous conditions which existed throughout the war will continue at least for the balance of the current year.

UNITED KINGDOM BUDGET, 1946-47

By A. E. BRYAN, *Chief Canadian Trade Commissioner in the United Kingdom*

The significant aspect of the United Kingdom budget for 1946-47, which was presented to Parliament on April 9, was not the statement of the national accounts but the delineation of future financial and economic policy.

Actual expenditure in 1945-46, which included nearly six months of war, was £5,484,000,000 as against a revenue of £3,280,000,000. The difference, £2,204,000,000, was obtained by borrowing.

As regards the coming year, the Chancellor described the prospects as "less sombre" than might be expected. The estimated expenditure is £3,837,000,000, a reduction of £1,728,000,000, or 31 per cent, from the estimate for 1945-46. Expenditures on the armed forces and munitions will be reduced, but the requirements of the civil departments will be £766,000,000, an increase of £145,000,000 over last year's figure. This increase is due to the measures to be taken in fulfillment of the Government's social program. The main services benefiting by the increase are: education, £21,000,000; housing, £19,000,000; family allowances, £38,000,000; old-age pensions, £14,000,000.

Development Areas

Of the increase, £10,000,000 is also to be devoted to the development areas. The Chancellor of the Exchequer pointed out that the Government has powers under the Distribution of Industry Act to bring these communities to the highest possible level of full employment and prosperity. As regards constructive plans for these areas, in which prior to the war there was serious unemployment, the Treasury will undertake to find whatever money is necessary to finance useful and practical proposals to bring them to a condition of complete and diversified economic activity.

Civil aviation is to receive £11,000,000 more this year, and the allocation for forestry restoration and development is to be raised by £2,000,000.

Cost of Living

The provision of cost-of-living subsidies in the current year will entail an expenditure of £335,000,000. A stable cost-of-living index is, according to the Chancellor, a sheet-anchor for the country in the transition period, and he attributed to this policy the comparative immunity from industrial disputes which the country has enjoyed.

It is intended to continue these subsidies, despite the heavy bill. During the Lend-Lease period the figure was about £250,000,000 a year, so that the termination of Lend-Lease supplies will add £185,000,000 to this year's commitments. The subsidies now amount to nearly three-quarters of the cost of the national debt, and they may rise still higher because the price of imported food is steadily tending upwards. The larger quantities of foodstuffs will further swell the cost.

While the purpose of the Government is to hold the cost of living substantially at its present level for the calendar year 1946, the possibility of a modification of this decision is not ruled out, depending upon the course of prices and upon other factors.

Sources of Revenue

In the last full year of war (1944-1945), expenditure was £6,063,000,000 and revenue £3,238,000,000. Thus, out of every pound of expenditure, 10s. 8d., or just over half, was obtained from revenue. In 1945-46, the year of transition, expenditure was, as already stated, £5,484,000,000, and revenue £3,284,000,000, so that 12s. in the pound was paid from revenue. For the fiscal year now opening, expenditure will be £3,887,000,000, and revenue, on the existing basis of taxation, will be £3,193,000,000, so that 16s. 5d. in the pound will be met from revenue. The position, indeed, is actually more favourable because, if certain special terminal items are excluded, the figure

reaches 18s. 5d. in the pound, which is not far removed from a balanced budget.

Incidentally the Chancellor disclosed that he counts on securing £150,000,000 from the sale of surplus war stores and £50,000,000 as surplus receipts from the trading activities of various government departments, particularly the Raw Materials Department of the Board of Trade.

It is anticipated that national savings, which represent, broadly speaking, the small investors, will provide £520,000,000 during the coming year and, with this assistance to the national finance, the Treasury does not propose to borrow large sums of new money from the banks and money market. This means that much new money which might otherwise have been absorbed by government loans will now be available to finance other needs and help to keep down the rate of interest.

Taxation Changes

No major changes in taxation are proposed, although a number of concessions in respect of Income Tax and Death Duties in the lower brackets are promised.

An announcement was made concerning the future of the "key industry" import duties which were imposed after the first world war on certain chemicals, scientific instruments, optical goods, etc., vital to the war potential. The existing legislation covering these duties expires this year. Consideration is to be given their future in the light of experience and scientific developments. In the meantime the duties will be extended in their present form for two years, although some changes may be made before the end of the year. Canadian products are exempt from "key industry" duties under the Imperial Preference Regulations.

Purchase Tax

Further concessions in the field of Purchase Tax are to be introduced. The following articles will be exempted entirely: pots and pans; crockery;

china; glassware; and plastics or metal holloware, used for the preparation of food and drink; kitchen fittings such as dressers, cupboards, draining boards, etc.; utility spring mattresses; utility woollen blankets; electric kettles; fire bricks and certain other fuel-saving devices. Purchase Tax on office machinery, including typewriters and cash registers, is also to be remitted as well as on sensitized document base paper; mains-operated hand lamps; certain railway lamps; and public clocks.

Reductions in the rate of Purchase Tax are also to be made in respect of: musical instruments, gramophones, gramophone records, photographic requisites, hair-waving and hair-drying machines, leather cases for professional use, garden furniture, vacuum flasks, lawn-mowers, and garden rollers.

Excess Profits Tax

Last autumn the Excess Profits Tax was reduced to 60 per cent as from January 1, 1946, but no provision was made for the early repayment of a 20 per cent Excess Profits Tax post-war refund in order to assist industry to reconvert and re-equip itself. These refunds, amounting to about £250,000,000, are now being paid to the industrialists entitled to them.

The Chancellor stated that he realized that this tax works against incentive and efficiency, even with the rate at less than 100 per cent, and that he proposed to repeal it as from December 31 next.

The National Defence Contribution, which is a flat tax of one shilling in the pound on all profits prior to distribution, will remain, but in future will be called the Profits Tax.

The future of taxes on business profits or excess dividends remains open. The Government intends to be guided in its decision by the general budgetary and financial situation and by the attitude of business firms. In the view of the Chancellor, post-war development should come before increased dividends, and he has already invited industry to plough back increased profits rather than distribute them. He described the response to this

invitation as "patchy". Many of the most efficient and up-to-date concerns have responded very well, but others have not taken the opportunity to strengthen their reserves and buy up the latest equipment. The decision

whether or not, next year, it will be in the general interest to introduce a new tax designed to promote the general national economic policy will therefore depend upon the course of events.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales); and Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and South-West Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola).

Their itineraries as at present arranged are as follows:—

Mr. Vechsler

Montreal and district—May 6 to 22.
Quebec City and district—May 23.

Mr. Allen

Vancouver and Victoria—May 13 to 22.

Firms wishing to confer with these Trade Commissioners should communicate: for Montreal, with the Montreal Board of Trade; for Vancouver, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE LITERATURE NEEDED OVERSEAS

Numerous inquiries are being received by the commercial sections of Canadian embassies and legations and by Canadian Trade Commissioners in overseas countries about Canada as a source of supply for current and future requirements of machinery and goods of all descriptions. These inquirers frequently demand opportunity to consult catalogues or other literature descriptive of the particular products in which they are interested.

Canadian firms will have furnished their branches, agents or representatives with such literature as is available, but the commercial libraries and reading-rooms of embassies, legations and Trade Commissioners are recognized by importing interests as centres where they can inspect trade publications, catalogues and other literature descriptive of the products of the industry and firms of the country represented. It is known that other countries have arranged for a constant and voluminous supply of such literature

to their representatives abroad, and it is important that Canadian Government representatives should be in a position to meet this general requirement as well as the more specific inquiries on particular goods which are addressed to them.

A number of Canadian trade organizations and export groups have already supplied copies of general brochures for circulation to Canadian Government commercial representatives abroad. Full use will be made of all such literature, but this method of publicity for Canada as a source of supply cannot be properly developed unless individual firms also forward regularly copies of their catalogues or other descriptive matter.

The addresses of Canadian commercial officers at Canadian embassies and legations as well as of Canadian Trade Commissioners are published in the *Commercial Intelligence Journal* and may be obtained also from the Department of Trade and Commerce, Ottawa.

CANADA'S EXPORT TRADE IN MARCH

Canada's domestic merchandise exports in March continued at the lower level of recent months, being valued at \$178,377,000 as compared with \$301,175,000 for March, 1945, according to figures released by the Dominion Bureau of Statistics. The decrease was due to the virtual disappearance of shipments abroad of war materials and equipment, as reflected especially in the totals for the iron, non-ferrous metals, and miscellaneous groups of commodities. On the other hand, advances were recorded in agricultural and vegetable products, and wood and paper products. The same general picture was presented by first-quarter totals, which this year amounted to \$520,610,000 as compared with \$768,037,000 for the three months ended March, 1945.

Sharp reductions were recorded in the value of merchandise exported in March to the United States, the United Kingdom and British India, while exports to countries of Continental Europe, including France, Belgium, Netherlands, Norway, Poland, and Portugal, were considerably higher. Increases also were shown in the exports to almost all countries of South America.

March exports to the United States were valued at \$66,465,089 as compared with \$103,343,683 in the corresponding month of last year, while the total for the first three months of this year stood at \$186,350,746 as against \$279,564,495. Commodity exports to the United Kingdom in March amounted to \$50,549,374 as compared with \$108,801,612, and for the first quarter \$139,582,503 as against \$259,482,839. Exports to British India totalled \$4,819,005 as compared with \$31,929,962, and in the first three months of this year \$20,568,197 as against \$72,032,526.

Merchandise exported to Belgium was valued at \$5,923,824 (\$717,834 in March, 1945); to France, \$8,743,012 (\$6,380,367); French Africa, \$3,256,672 (\$1,706,992); Netherlands, \$3,160,-

562 (\$214,256); Norway, \$3,032,897 (nil); Poland, \$1,083,021 (\$827,203); Portugal, \$282,974 (\$22,059); and China, \$2,041,830 (\$16,818).

Exports to Argentina were valued at \$1,174,856 (\$486,785 in March, 1945); Brazil, \$1,324,485 (\$723,096); Venezuela, \$837,039 (\$404,033); Mexico, \$793,103 (\$680,221); Chile, \$327,234 (\$216,118); Colombia, \$429,775 (\$411,219); South Africa, \$4,137,340 (\$2,956,328); Australia, \$2,438,816 (\$581,220); New Zealand, \$926,657 (\$866,674); and Newfoundland, \$2,102,982 (\$2,971,868).

The value of exports of agricultural and vegetable products advanced to \$47,703,000 from \$41,949,000 in March, 1945. Wheat exports were almost twice as heavy, the total being \$24,078,000 as compared with \$12,971,000; wheat flour advanced slightly to \$8,252,000 from \$8,188,000. Meats fell to \$12,598,000 from \$21,761,000, while fish and fishery products advanced to \$6,830,000 from \$5,447,000. In the wood and paper group, newsprint paper exports rose to \$19,527,000 from \$14,125,000, planks and boards to \$7,824,000 from \$7,467,000, while wood-pulp fell to \$8,660,000 from \$9,845,000.

Exports in the iron and its products group moved sharply lower in March to \$18,167,000 from \$67,620,000, due chiefly to the decline in shipments of automobiles and parts to \$7,558,000 from \$41,634,000. Exports of non-ferrous metals and their products as a group were reduced to \$18,379,000 from \$40,356,000, due mainly to decreases in shipments of aluminum, brass, nickel, and electrical apparatus. Chemicals and allied products also fell to \$5,634,000 from \$12,924,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of March and the three months ended March, 1945 and 1946.

Exports by Principal Countries

	Month of March		Three Months ended	
	1945	1946	1945	1946
Total exports	\$ 301,175,227	\$ 178,376,854	\$ 768,037,389	\$ 520,610,059
British Empire	154,937,607	70,146,802	376,113,847	200,777,269
United Kingdom	108,801,612	50,549,374	259,482,839	139,582,503
Eire	697,795	610,064	2,062,270	2,152,115
Aden	15,794	15,602	44,704	49,244
British East Africa	186,773	192,833	1,101,763	372,115
British South Africa	2,956,328	4,137,340	7,478,107	9,206,647
Southern Rhodesia	187,644	259,847	525,616	732,126
British West Africa	108,575	197,355	302,999	503,460
Bermuda	221,607	244,893	741,039	651,548
British India	31,929,963	4,819,005	72,032,526	20,568,197
Burma .....	.....	65,233	.....	167,778
Ceylon	379,382	179,571	1,775,873	563,399
Straits Settlements .....	.....	53,629	.....	449,030
Other British East Indies .....	.....	.....	.....	43,173
British Guiana	590,258	525,589	1,381,309	1,435,373
British Honduras	79,728	87,202	194,392	242,563
British Sudan .....	.....	3,328	36,487	18,505
Barbados	248,484	450,807	577,625	1,108,895
Jamaica	952,212	488,628	3,257,378	1,712,252
Trinidad and Tobago	1,274,177	1,003,407	3,470,527	3,086,314
Other British West Indies	602,910	483,243	1,305,389	1,307,910
Falkland Islands	1,251	94	7,466	1,572
Gibraltar	9,706	.....	13,043	47,670
Hong Kong .....	.....	241,551	.....	292,170
Malta	915,603	780	1,528,383	595,008
Newfoundland	2,971,868	2,102,982	8,290,746	6,237,267
Australia	581,220	2,438,816	5,892,104	6,363,094
Fiji	5,354	2,112	14,818	97,255
New Zealand	866,674	926,657	4,001,951	2,419,884
Palestine	348,677	64,304	556,132	762,712
Foreign countries	146,237,620	108,230,052	391,923,542	319,832,790
Argentina	486,785	1,174,856	1,058,124	2,530,600
Austria .....	.....	260,085	.....	693,384
Belgium	717,834	5,923,824	741,665	18,152,103
Belgian Congo	64,818	128,654	124,485	358,287
Bolivia	16,389	41,531	46,226	123,974
Brazil	723,096	1,324,485	1,788,510	5,599,661
Chile	216,118	327,234	421,127	931,081
China	16,818	2,041,830	21,935	5,345,720
Colombia	411,219	429,775	677,497	1,912,956
Costa Rica	40,010	118,276	78,495	288,219
Cuba	411,404	421,279	1,144,402	1,525,736
Czechoslovakia	77,519	18,958	252,002	2,330,519
Denmark .....	.....	321,397	.....	322,293
Greenland	16,546	18,721	513,398	19,019
Ecuador	18,557	74,516	41,747	148,577
Egypt	5,743,054	237,392	13,072,494	2,485,483
Finland .....	.....	55,460	.....	145,148
France	6,380,367	8,743,012	12,695,210	19,237,286
French Africa	1,706,992	3,256,672	3,906,956	7,083,440
French East Indies .....	.....	14,413	.....	17,230
French Guiana	2,557	20,572	4,662	24,592
French Oceania	9,401	4,071	23,370	32,917
French West Indies	4,965	12,036	8,840	45,428
Madagascar	3,467	58,586	7,213	62,754
St. Pierre and Miquelon	33,462	56,216	121,685	166,601
Germany .....	.....	187,237	.....	1,724,209
Greece	899,584	224,387	1,646,208	551,023
Guatemala	14,929	72,847	70,174	190,568
Haiti (Republic of)	35,916	166,478	98,347	235,953
Honduras	11,132	29,427	16,492	93,330
Hungary .....	.....	8,171	.....	8,799
Iceland	511,945	20,924	867,569	556,958
Iraq	90,239	7,766	432,929	268,147
Italy	14,346,407	37,443	46,291,255	2,756,793
Liberia	516	6,213	10,807	15,215
Mexico	680,221	793,103	1,861,362	2,252,675
Morocco	50,489	152,969	135,334	833,233
Netherlands	214,256	3,160,562	214,837	13,265,678
Netherlands East Indies .....	.....	755,069	.....	2,117,013
Netherlands Guiana	9,142	27,796	23,792	54,030

Exports by Principal Countries—Conc.

	Month of March		Three Months ended March	
	1945	1946	1945	1946
Foreign countries— <i>Con.</i>				
Netherlands West Indies	50,605	46,217	148,875	203,838
Nicaragua	38,006	16,942	95,965	49,524
Norway .....	.....	3,032,897	.....	5,725,241
Panama	52,925	145,860	153,089	393,337
Paraguay	10,750	10,634	11,457	21,485
Persia	24,567	27,101	157,704	135,618
Peru	189,036	331,445	510,552	800,928
Poland	827,203	1,083,021	1,341,672	4,455,637
Portugal	22,059	282,974	135,439	917,621
Portuguese Africa	72,553	157,139	538,680	332,742
Russia (U.S.S.R.)	4,654,979	2,198,413	13,637,020	13,052,831
Salvador	55,035	93,750	73,816	130,420
San Domingo	55,449	118,400	134,809	278,611
Spain .....	.....	495	399,821	26,497
Canary Islands .....	.....	18,566	.....	35,264
Sweden .....	.....	619,021	.....	1,583,265
Switzerland	1,380,113	533,187	3,526,901	1,076,734
Syria	1,823	21,666	11,060	71,836
Turkey	17,228	260,697	136,726	343,963
United States	103,343,683	66,465,089	279,564,495	186,350,746
Alaska	10,403	19,138	25,270	41,343
American Virgin Islands	5,144	4,966	5,144	19,698
Hawaii	312,039	403,758	1,035,728	990,243
Philippine Islands .....	.....	182,471	.....	1,356,038
Puerto Rico	277,480	363,717	575,382	929,362
Uruguay	90,603	202,987	234,940	532,649
Venezuela	404,033	837,039	626,040	3,855,193
Yugoslavia	373,043	2,108	410,951	1,591,026

Exports by Principal Commodities

	Month of March		Three months ended March	
	1945	1946	1945	1946
	Thousands		of Dollars	
Total domestic exports*	301,175	178,377	768,037	520,610
Agricultural and vegetable products	41,949	47,703	100,678	132,550
Fruits	1,216	80	3,188	1,177
Fruits, fresh	637	3	2,071	760
Apples, fresh	598	.....	1,933	697
Fruits, dried	287	1	436	24
Apples, dried	287	1	436	2
Fruits, canned	160	57	255	184
Fruit juices and fruit syrups.....	132	19	425	209
Nuts	22	1	48	11
Vegetables	2,776	969	7,267	3,804
Vegetables, fresh	1,705	289	4,214	1,128
Potatoes (except seed)	1,414	48	3,151	238
Vegetables, dried	700	81	2,450	907
Vegetables, canned	254	545	431	1,619
Pickles, sauces and catsups	118	54	172	149
Grains	16,376	25,405	38,445	67,385
Barley	275	14	1,124	74
Wheat	12,971	24,078	28,842	63,124
Milled products	9,251	8,696	23,271	27,327
Flour of wheat	8,188	8,252	20,630	25,936
Prepared foods and bakery products.....	204	203	473	441
Biscuits and bread	90	10	197	32
Cereal foods, prepared	85	106	187	219
Farinaceous products, other	193	554	767	1,457
Vegetable fats, edible	136	181	308	375
Sugar and products	714	135	1,588	346
Sugar (refined)	77	29	162	29
Vegetable products, other, mainly food.....	175	172	549	621
Beverages, alcoholic	2,593	3,472	7,161	9,080
Ale, beer and porter	615	418	1,452	950
Beverages, distilled	1,957	3,052	5,669	8,119
Whisky	1,842	2,854	5,399	7,634
Wines	22	1	39	11
Oils, vegetable, not edible	189	116	258	1,079
Linseed and flaxseed oil	168	109	222	966
Plants, shrubs, trees and vines	8	39	19	61
Rubber	2,708	2,082	6,786	4,970
Pneumatic tire casings	1,666	712	3,009	1,664
Inner tubes	140	122	263	255

Exports by Principal Commodities—Con.

	Month of March		Three months ended March	
	1945	1946	1945	1946
Agricultural and vegetable products— <i>Con.</i>				
	Thousands of		Dollars	
Seeds	3,027	2,192	6,007	6,562
Seed potatoes	892	517	2,214	1,965
Tobacco	1,563	1,171	2,298	2,839
Tobacco, unmanufactured	1,465	1,086	2,008	2,653
Vegetable products, other, not food	797	2,217	2,232	4,956
Hay	10	412	28	1,264
Animals and animal products	40,989	30,829	95,563	95,465
Animals, living	1,146	1,354	2,530	3,235
Cattle (except for stock)	388	642	922	1,730
Bones, horns and hoofs	35	25	90	80
Fish and fishery products, n.o.p.	5,447	6,830	14,213	18,777
Fish, fresh and frozen	3,384	2,780	8,124	9,083
Fish, dried, salted, pickled, smoked	928	750	2,347	2,624
Fish, canned or preserved	1,129	3,265	3,702	6,985
Furs	2,527	3,056	9,091	12,920
Undressed furs	2,421	2,899	8,817	12,437
Hair and bristles	69	97	232	353
Hides and skins, raw	1	334	34	639
Leather, unmanufactured	332	483	857	1,359
Leather, manufactured	377	475	725	1,566
Meats	21,761	12,598	48,986	41,033
Bacon, hams, shoulders, sides	13,958	5,197	30,798	17,151
Milk and products	2,369	649	6,089	4,947
Butter	219	146	462	381
Cheese	1,692	64	3,598	3,135
Animal oils, fats, greases and wax	457	260	1,572	730
Animal products, other	6,469	4,668	11,145	9,827
Eggs in the shell	3,188	2,827	4,407	4,843
Eggs, processed	3,093	1,531	6,081	4,272
Fibres, textiles and textile products	7,968	3,967	17,655	12,628
Cotton	1,452	976	3,525	2,927
Cotton fabrics	411	471	1,175	1,334
Flax, hemp and jute	372	235	469	597
Fibre and tow	332	166	409	464
Wool	1,916	996	4,649	5,248
Wool, raw	437	180	1,076	677
Artificial silk	424	654	2,167	1,382
Fabrics, artificial silk	98	165	421	434
Fibres and textiles, other	3,803	1,106	6,845	2,474
Wood, wood products and paper	39,149	44,872	104,052	126,811
Wood, unmanufactured	12,485	13,603	34,581	37,261
Logs	265	281	578	673
Planks and boards	7,467	7,824	20,492	22,029
Timber, square	40	79	190	146
Shingles	782	784	2,038	2,101
Pulpwood	1,264	1,995	4,212	5,836
Wood, manufactured	10,220	9,592	25,423	27,888
Wood-pulp	9,845	8,660	24,385	25,880
Paper	16,080	21,197	43,012	60,291
Newsprint paper	14,125	19,527	37,293	55,514
Books and printed matter	364	479	1,036	1,371
Iron and its products	67,620	18,167	177,662	55,731
Ferro-alloys	1,789	1,453	3,878	2,236
Pigs, ingots, blooms, billets	193	170	581	1,402
Scrap iron	45	45	88	87
Castings and forgings	1,006	131	3,141	352
Rolling-mill products	1,610	753	2,850	2,397
Pipes, tubes and fittings	360	214	793	467
Wire	272	104	763	278
Chains	15	25	32	68
Engines and boilers	1,647	3,173	3,665	10,442
Farm implements and machinery	1,598	2,525	4,037	6,184
Hardware and cutlery	335	356	874	861
Machinery (except agricultural)	1,900	1,218	5,994	2,783
Stamped and coated products	19	6	76	83
Tools	205	73	448	243
Vehicles, chiefly of iron	41,634	7,558	113,198	26,929
Automobiles, freight	28,275	3,810	70,440	13,623
Automobiles, passenger	5	35	11	47
Automobile parts	10,809	2,645	32,398	5,790
Iron products, other	14,992	364	37,243	918

Exports by Principal Commodities—Conc.

	Month of March		Three months ended March	
	1945	1946	1945	1946
	Thousands of		Dollars	
Non-ferrous metals and their products	40,356	18,379	105,624	46,058
Aluminium	16,620	1,593	47,178	4,052
Bars, blocks, ingots, blooms	14,941	1,095	43,890	2,365
Brass	882	228	1,433	677
Bars, ingots, rods, strips, sheets, plates...	737	77	1,006	184
Copper	3,340	3,506	10,346	9,488
Ingots, bars, cakes, slabs, billets.....	2,517	2,761	8,217	7,792
Rods, strips, sheets, plates, tubing.....	216	371	601	539
Lead	359	2,173	818	4,046
Nickel	6,636	4,484	17,424	9,826
Precious metals, except gold	1,822	907	4,082	2,988
Zinc	2,644	2,567	4,699	7,384
Clocks and watches	59	94	89	296
Electrical apparatus	6,950	2,109	17,449	5,682
Radio and wireless apparatus	4,415	1,463	10,888	4,170
Non-ferrous metals, other	1,041	717	2,099	1,615
Cobalt alloys	264	9	289	22
Cadmium	1	51	74	148
Selenium and salts	57	119	132	298
Non-metallic minerals and their products.....	4,628	3,817	12,788	10,468
Asbestos	2,110	1,654	5,221	4,595
Asbestos milled fibres	1,492	1,178	3,594	3,192
Clay and products	47	47	99	123
Porcelain insulators	26	18	61	66
Coal and products	564	543	1,813	1,426
Coal	466	405	1,337	952
Coke	72	51	205	156
Glass and glassware	40	141	98	326
Graphite	14	20	22	37
Mica and products	16	13	101	81
Petroleum products	354	148	1,613	646
Gasoline	98	40	1,034	88
Stone and products	1,306	1,067	3,436	2,784
Abrasives, artificial, crude	1,196	940	3,134	2,398
Non-metallic minerals, other	175	183	384	450
Carbon and graphite electrodes	1	21	45	72
Chemicals and allied products	12,924	5,634	31,613	16,450
Acids	354	138	685	486
Alcohols, industrial	705	5	1,088	16
Cellulose products	11	16	23	58
Toilet preparations	153	34	296	172
Medicinal and proprietary preparations	280	377	976	1,029
Explosives	4,412	....	10,118	29
Fertilizers	2,372	3,141	7,698	8,993
Paints and varnishes	343	321	905	829
Soap	359	82	581	449
Inorganic chemicals, n.o.p.	1,450	585	3,412	2,117
Calcium compounds, n.o.p.	466	206	966	955
Soda and sodium compounds	607	261	1,564	928
Chemical products, other	2,484	935	5,829	2,272
Miscellaneous commodities	45,593	5,010	122,402	24,448
Amusement and sporting goods, n.o.p.....	58	80	182	177
Brushes	62	96	133	227
Containers, n.o.p.	68	157	171	473
Household and personal equipment, n.o.p....	264	428	702	1,035
Pens, pencils and parts	70	86	207	254
Refrigerators, electric .....	....	1	1	6
Musical instruments	6	16	19	37
Scientific and educational equipment.....	1,876	266	3,924	752
Films	202	231	722	651
Ships and vessels	767	978	1,961	3,118
Vehicles, n.o.p., chiefly aircraft	14,492	580	39,748	2,593
Miscellaneous commodities, other	27,997	2,407	75,557	16,003
Cartridges	23,541	11	63,952	45
Electrical energy	434	651	1,434	1,888

*March totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$190,000 in March, 1946, and \$143,931,000 in March, 1945. The percentage of war materials in other items cannot be ascertained.

NOTES ON THE VIRGIN ISLANDS

By T. G. MAJOR, *Canadian Trade Commissioner at Port of Spain*

British Virgin Islands

The British Virgin Islands constitute a presidency of the Leeward Islands. They comprise about thirty islands, mostly uninhabited, situated between the Greater and Lesser Antilles. The population of 6,700 is concentrated chiefly in Tortola, Virgin Gorda, Jost Van Dykes and Anegada. The only place of any size is Road Town, the capital, with a population of a few hundred.

In contrast with the inhabitants of the American Virgin Islands, the people of the British Virgins are almost entirely farmer landowners, raising beef cattle, horses, donkeys, poultry, vegetables, and cocoanuts. There is also a considerable production of charcoal and an active fishing industry. The cattle, vegetables, cocoanuts and charcoal are exported mainly to the island of St. Thomas.

The group is in close proximity to the United States Virgin Islands and some 100 miles from the remainder of the Leewards, resulting in a peculiar business, financial and monetary set-up. Most of the imports come through St. Thomas, mainly by retail purchase or by transshipment. Freight rates from St. Kitts or Antigua are about four times those from St. Thomas. In most cases the freight differential offsets the preferential tariff and the higher retail cost. Banking is carried out almost entirely through the Virgin Islands National Bank in Charlotte Amalie. The monetary system is rather complicated; both United States and Trinidad paper money are in circulation, while the coinage is mainly British. An arbitrary exchange rate of five shillings to the United States dollar is in effect. This has the effect of cancelling out the sterling exchange regulations.

Most of the goods in the shops are of United States origin. However, there are some imports of Canadian flour,

boots and shoes, proprietary medicines, and fishing supplies. There are inquiries for a substantially wide range both of foodstuffs and other goods. The trade is the general-store type, no large quantity of any single line being carried.

There are no cable or wireless connections. Air mail is available through St. Thomas twice weekly. Wireless telephone connections are expected to be installed as soon as equipment can be obtained. Communication with St. Thomas is by motor launch twice weekly, the trip taking about three hours. There are also frequent sailings by vessels plying to and from St. Kitts and Antigua. Limited accommodation is available at two tourist inns. There is an active tourist trade, mainly fishing parties using Road Town as a base.

United States Virgin Islands

Of the three United States Virgin Islands (St. Thomas, St. Croix and St. John), St. Thomas is the most important from the viewpoint of trade. Although the population of 12,000 is relatively small and concentrated almost entirely in the capital, Charlotte Amalie, the importance of this centre as a tourist resort, coaling station, and distribution point results in a greater volume of trade than might be expected. St. Croix, lying 40 miles to the south, has about the same population, but is essentially a sugar-growing island with two small towns, Christiansted and Fredericksted. St. John, lying to the east of St. Thomas, is of little importance except as an undeveloped tourist resort.

The territory has its own customs laws, inherited from the Danish regime, but comes within those of the United States postal and monetary area. Under the provisions of the customs law, all goods of United States manufacture and certain fresh foodstuffs are admitted duty free. On all other goods,

irrespective of origin, there is an *ad valorem* duty of 6 per cent. To all intents and purposes, therefore, the territory is a free port. In the shops are displayed Mexican and Peruvian silverware, French perfumes, Irish linens, English cotton and woollen goods, Danish beer, Spanish and Portuguese wines, and Canadian whisky, as well as American products.

During 1942 the total imports of foreign origin were valued at U.S.\$1,094,489, the principal sources being: Curaçao, \$566,043; Dominican Republic, \$95,741; Leeward Islands, \$63,829; Canada, \$61,586; United Kingdom, \$59,151; and Venezuela, \$57,830. The list of goods imported from Canada includes canned sardines and salmon; dry salt, pickled and smoked fish; boots and shoes; wheat flour; gin and whisky; belting for machinery; wearing apparel; pine boards; wooden chairs; wrapping paper, carbon paper and miscellaneous paper goods; electric lamps and generators; marine engines and parts; motor-cycle parts; pharmaceutical and medicinal preparations; and a number of miscellaneous commodities.

In addition there is a market for such items as hooked rugs and other handicraft articles, light woollen goods,

beer, supplies for fishing and pleasure vessels, and food specialties. There is considerable trade with the neighbouring British islands, mainly through retail channels, in boots and shoes, women's clothing, etc.

A list of the principal importers is on file in the office of the Canadian Trade Commissioner at Trinidad, and connections have been established with the Virgin Islands National Bank. The branch of the Royal Bank of Canada in San Juan, Puerto Rico, also handles a considerable volume of business in the territory, and consideration is being given the opening of an office in Charlotte Amalie. There is an active Chamber of Commerce in St. Thomas, which also has members in St. Croix, the British Virgin Islands and Antigua.

There are regular and irregular passenger and freight sailings from New York, both direct and via San Juan, by the Alcoa Steamship Company, the Bull Insular Line and the Furness Whithy Company. St. Thomas is the terminus of Pan American planes from Miami. National Air Lines, through its subsidiary, Caribbean Atlantic Airways, connects San Juan, St. Thomas and St. Croix. Accommodation in Charlotte Amalie is supplied by three principal hotels.

ECONOMIC, TRADE AND PRODUCTION NOTES

Newfoundland

PRICE CEILING ON CABBAGE ABOLISHED

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, writes under date April 11, 1946, that the Newfoundland Commissioner of Supply has issued an Order, with effect from April 6, 1946, revoking Food (Current Prices) Order (No. 76) of February 23, 1946, which fixed the maximum wholesale and retail price of cabbage in Newfoundland.

United Kingdom

WORKING PARTIES FOR INDUSTRY

With reference to the note published in *Commercial Intelligence Journal* No. 2182 (November 24, 1945), the Presi-

dent of the Board of Trade informed the House of Commons on March 11 of proposals for the formation of working parties for ten more industries. The commodities with which the new working parties will be concerned are linoleum, carpets, jute, wool, china clay, jewelry and silverware, cutlery, lace, clothing, and domestic glassware. This will make in all fifteen working parties, including those with respect to which an announcement was made in October, 1945.

It was stated that the original working parties were making good progress and, from preliminary indications received, the President of the Board of Trade was confident that the reports, which would come forward shortly,

would contain valuable recommendations. It is not the intention to set up any further working parties for the present, as those already started, or about to start, will absorb all the available personnel, and it will be desirable to consider some of their reports before undertaking any further action.

EFFICIENCY SERVICE

An announcement has been made of the proposed establishment within the Board of Trade of an advisory service designed to assist industry to increase productive efficiency. It would be known as the Board of Trade Production Efficiency Service and would operate in response to requests from certain firms, no charge being made at present. There would be appropriate consultation with the workers' representatives. The service would be started on a modest scale. It was unlikely that it would be able to meet all the demands made upon it, and priority would be given to firms whose products are of special importance to the Export Trade or to the home market.

United States

DEPARTMENT OF COMMERCE TO ESTABLISH OIL BUREAU

Mr. W. D. Wallace, Assistant Commercial Secretary, Canadian Embassy at Washington, reports that the United States Department of Commerce has announced that it is establishing a new petroleum section for the promotion and development of the foreign commerce of this country's petroleum enterprises. This new section will be established as part of the Department's Office of World Trade Promotion. The scope of the services to be rendered by the new oil bureau will depend to a great extent upon the requests made by the oil industry.

The new bureau will be prepared to give information with respect to a foreign country or territory in which any companies are interested. It will also assist in finding new markets for this country's war-expanded private petroleum capacity. The new unit will likewise take an active interest in the problem of petroleum imports.

TRADE REGULATIONS AND TARIFF CHANGES

Bermuda

IMPORT CONTROL RELAXED

The Bermuda War-Time Supplies Commission has notified importers that, effective March 11, importation from dollar sources will no longer be limited as to value by dollar quotas previously allotted to individual merchants. Provided only that the quantities concerned are reasonable, the Commission will now grant import permits without restriction for all items from Canada and the United States with the exception of cotton goods and foodstuffs, which remain under quantity allocation. The Commission, however, reserves the right not to grant import permits in respect of specific items should the importation of such items be considered inadvisable at the particular time.

Belgian Congo

IMPORT CONTROL REGULATIONS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes that a Belgian Congo Ordinance of January 25, 1946, brings up to date the regulations of that country on import control and availability of exchange for imported articles. Under this ordinance, a commission has been set up at Leopoldville with the Bank of Belgian Congo for the purpose of ensuring the control, distribution and issue of import permits and exchange. Imported goods are divided into two classes: (A) goods the export of which is subject to restrictions in the country of origin, a list of which will be issued and regularly kept up to date by the Supply Commission; and (B) all other goods.

The Exchange Commission submits the applications for an import permit in the case of goods of Class A to the Supply Commission for previous approval and can grant them only if they have been approved by this Commission or by persons or organizations charged by it to do so and within the limits and conditions which it will set. The approval of the Supply Commission may be subject to the condition that the applicant for the permit: (1) agrees that the orders for goods for the import of which a permit is requested will be grouped or centralized through the Commission and forwarded either in the name of the Commission or in the name of each importer; (2) agrees that the Commission, within a stated period, will eventually proceed with the distribution of the goods between various importers upon the condition that the Commission shall refund the price of the goods and the freight and insurance expenses; and (3) will make declaration of goods that he has in stock similar to those

for which the permit is requested and of the final utilization to be made of the goods in respect of which the application for a permit is submitted.

Applications for import permits for goods in Class B are not subject to the previous approval of the Supply Commission. The Director of the branches of the Bank of the Belgian Congo and a delegate appointed by the Governor General, acting jointly, are empowered to grant permits for Class B goods within the limits set by the Exchange Commission.

The application for an import permit, the application for exchange and the approval thereof are recorded in a single document. Applications approved by the Commission are validated by the Bank of the Belgian Congo in duplicate. One of the copies, marked "devises", will entitle the holder to obtain exchange for the amount indicated. The second copy, marked "douanes", is intended for the Customs and will constitute an import permit.

POSTAL SERVICES AND RATES

Eire

DIRECT PARCEL POST SERVICE RESUMED

The direct parcel post service from Canada to Ireland (Eire) has been resumed and parcels for this destination may be despatched by direct steamship service as well as via Great Britain. Parcels for Ireland (Eire) intended for despatch by the direct route should be prepaid at rates ranging from 30 cents for one pound to \$1.75 for eleven pounds. Parcels intended for despatch by the direct service or via Great Britain may be insured.

European Countries

AIR MAIL RATE

Effective immediately, the air mail rate for correspondence intended for trans-Atlantic air conveyance from Canada to European countries is 30 cents per half-ounce or fraction thereof. This rate will of course apply to all such mail for those countries where

the 35-cent and 40-cent per half-ounce rate was in effect and will include air conveyance in Canada and beyond England by all air mail services available. Registration, if desired, is additional.

Gift Packages to European and Certain Other Countries

Gift packages prepaid at the letter rates of postage may now be forwarded to the countries listed below to which mail services have been restored, subject to the following conditions: the total weight of a package must not exceed 4 pounds 6 ounces, and the total value of the contents of a package must not exceed \$25. Packages may be registered, except those for Bulgaria, Finland, Macao and Portuguese Timor. The sending of packages is limited to private citizens and must not be undertaken by relief organizations and others. The naming of addressees other than the known ultimate ad-

addressee for the purpose of evading the limitations of the service is prohibited. No one sender may send more than two packages per week, each of which must be to different addressees. The packets are restricted to gifts addressed to private individuals and must not include commercial shipments. Senders are advised to endorse the wrapper of each package "Gift Package".

Attention is particularly directed to the fact that the acceptance of a package by the Canadian Post Office does not affect the liability of its contents to customs or other charges in the country of destination. Certain articles of value, such as new wearing apparel, may be subject to import restrictions in the country of destination, however, and senders would be well advised in their own interests to ascertain from the addressee whether the articles they intend to send to relatives and friends would be exempt from such restrictions. It should be specially observed that this does not affect the parcel post services which have already been restored to certain of the countries listed below and which are still in operation under the existing regulations and conditions.

Commercial packets prepaid at the letter rates applicable may also be despatched to these destinations, and may be registered where the registration service is in operation.

Albania
Belgium
British North Borneo
British Solomon Islands
(Lunga and Munda only)
Brunei
Bulgaria
Burma
Channel Islands
Czechoslovakia
Denmark
Finland
France
Guam
Hong Kong
Hungary
Luxembourg
Macao
Malay States (Federated and
Unfederated)
Netherlands
Norway
Philippines
Poland
Portuguese Timor
Roumania
Sarawak
Straits Settlements
Sweden
Switzerland
Yugoslavia

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

32. *Zanzibar*—Alli & Abdulrasul, Zanzibar, Zanzibar, wish to represent Canadian manufacturers of the following goods and to import them on their own account: popularly priced and high-class fountain pens, canvas rubber-soled shoes, plastic watch-straps, plastic belts, dust combs, dressing combs, and charcoal-burning irons. File 18037.

33. *Greece*—Felix D. Baveas, 14a Euripidou St., Athens, wishes to establish contact with

Canadian manufacturers of locks, chains, door and window fittings, kitchen utensils, and electrical household equipment. File C.E. 229.

34. *Cuba*—Mr. Hugo May, P.O. Box 547, Havana, Cuba, has expressed interest in securing representation in the Cuban market for the following products: rulers (school and advertising), wooden ice-cream spoons, tongue depressors, throat swabs, lollipop sticks, toothpicks, wooden and composition set squares and protractors, mouse traps (regular patent), clothes pins (spring type, not dolly), tricycles, metal watch-straps (preferably of the stretchable type), and glass vials, as used in the pharmaceutical trade for hypodermic solutions, also rubber corks used in these vials. File C.E. 232.

35. *Bahamas*—R. W. D. Albury, P.O. Box 14, Nassau, wishes to obtain a Canadian textile agency for dress piece-goods over 36 inches wide, denims, bleached and unbleached cottons, ginghams, and coverts. File 25358.

36. *Barbados*—Bradshaw & Company, P.O. Box 228, Bridgetown, a firm of commission agents, wish to represent as agents a Canadian manufacturer of beer. File 25358.

37. *British Guiana*—Dallas V. Kidman, P.O. Box 8, Georgetown, a well-established firm of commission agents, wish to obtain a Canadian agency for stationery, greeting cards, and airmail paper. File 25358.

38. *Grenada*—R. K. Milne & Son, St. George's, a firm of commission agents, wish to obtain a Canadian agency for pharmaceuticals and physicians' specialties. File 25358.

39. *Netherlands Guiana*—C. R. Singh, P.O. Box 376, Surinam, a well-established retail druggist, wishes to obtain a Canadian agency for stationery, greeting cards and airmail paper. File 25358.

40. *Haiti*—G. Naude, P.O. Box A-147, Port au Prince, wishes to act as agent for a Canadian firm making all types of paint and varnish. File 25358.

41. *Curaçao*—Caribbean Sales, P.O. Box 135, Madurostraat, Willemstad, wish to obtain a Canadian agency for butter and dairy products. File 25358.

42. *El Salvador*—Sr. Daniel Gedance, Apartado No. 510, San Salvador, El Salvador, has expressed interest in the purchase of the following Canadian products: all kinds of paper, cartons, wood, skins, whiskies, chemicals, paints, fertilizers, tires and tubes, agricultural implements, copper, asbestos, textiles, electrical items for domestic use. File 17879.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Apr. 23	Nominal Quotations Apr. 29
Argentina	Peso	Off. .3282	.3282
		Free .2684	.2679
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica)	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa	Franc	.0092	.0092
French Empire—African	Franc	.0157	.0157
French Pacific possessions	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0049	.0049
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, Canadian, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

M. J. VECHSLER, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.
Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 9, Oslo.
Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.
Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.
Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

OVERSEAS TRADE OF AUSTRALIA IN 1944-45

By K. F. NOBLE *Canadian Trade Commissioner at Sydney*

Overseas trade statistics of the Commonwealth of Australia for the year ending June 30, 1945, although subject to revision, show the trends of trade during the year in comparison with similar movements during the previous year and in the normal pre-war period.

During the year the total value of Australia's overseas trade (in British currency) was £303,849,000 (\$1,358,-205,030) as compared with £327,132,000 (\$1,462,280,040) for year ended June 30, 1944, a decrease of £23,283,000.

The total value of imports was smaller at £186,013,000 (\$831,478,110) as compared with £210,029,000 (\$938,-829,630) for 1943-44, a decrease of £24,016,000. There was a slight increase of £733,000 in the total value of exports, which amounted to £117,-836,000 (\$526,726,920) as compared with £117,103,000 for the previous year.

The adverse balance of trade amounted to £68,177,000 as against £92,926,000 for 1943-44.

Statistical analysis of the direction of trade, including the trading position by countries, was discontinued during the war years, but these figures are now released for the first time in six years in the present annual survey by the Commonwealth Statistician. From the total import and export figures have been extracted those for items of civilian import and export trade, which are more properly comparable with the pre-war movement by reason of the fact that items for war purposes have been excluded.

Tables 1 and 2, showing distribution of exports and imports by countries of destination and origin respectively; bullion and specie movements are not included:—

TABLE 1
Australian Exports by Countries in 1944-45

	Civil Exports	Total Exports
United Kingdom	£A44,920,000	£A47,970,000
Canada	3,783,000	3,787,000
New Zealand	6,070,000	7,079,000
Union of South Africa	821,000	1,327,000
Other British countries	16,335,000	46,777,000
Total, British countries	£A71,929,000	£A106,940,000
United States	28,118,000	29,215,000
Other foreign countries	7,096,000	11,434,000
Total, foreign countries	£A 35,214,000	£A 40,648,000
Total	£A107,143,000	£A147,589,000

TABLE 2
Australian Imports by Countries in 1944-45

	Civil Imports	Total Imports
United Kingdom	£stg. 29,331,000	£stg. 61,815,000
Canada	2,762,000	8,950,000
New Zealand	1,342,000	1,584,000
Union of South Africa	466,000	572,000
Other British countries	21,061,000	25,284,000
Total, British countries	£stg. 54,962,000	£stg. 98,205,000
Iran	4,227,000	7,022,000
United States	12,319,000	71,453,000
Other foreign countries	5,802,000	6,614,000
Total, foreign countries	£stg. 22,348,000	£stg. 85,089,000
Outside packages	2,719,000	2,719,000
Total	£stg. 80,029,000	£stg.186,013,000

Exports by Commodity Groups

Exports are classified by commodity groups and, as shown in Table 3, which gives comparative figures for the years 1943-44 and 1944-45 as well as for the last pre-war year, 1938-39, the value of total trade has been well maintained, although quantities represented by declared values have declined.

DETAILS OF EXPORTS

(£A1 equals \$3·5960 Canadian)

The values of all exports are given in Australian currency and, as shown in Table 3, there was an increase of £857,000 in the total value of 1944-45 exports, which amounted to £147,589,000, as compared with £146,672,000 for the year 1943-44.

Again the largest export value was for animal substances, totalling £52,626,000 (£52,613,000 in 1943-44), although there was a decrease in value of £5,000. The chief items in this class were: greasy wool, £35,151,000 (£36,232,000); scoured wool and tops, £10,650,000 (£9,535,000); rabbitskins, £3,865,000 (£4,494,000); and sheepskins, £1,833,000 (£1,338,000).

The value of exports of foodstuffs of animal origin totalled £26,013,000

(£24,846,000 in 1943-44), an increase of £1,167,000. Butter was again the main item under this heading, exports being valued at £6,126,000 (£6,871,000). The next largest item was meat preserved in tins, £4,486,000 (£4,093,000), followed by frozen lamb, £3,218,000 (£4,142,000); cheese, £1,975,000 (£1,954,000); milk and cream, £1,781,000 (£4,448,000); frozen beef, £1,663,000 (£1,246,000), and frozen pork, £1,437,000 (£587,000).

The total value of exports of foodstuffs of vegetable origin amounted to £28,857,000 (£26,617,000 in 1943-44), an increase of £2,240,000. The principal items exported were: wheat, £9,752,000 (£8,264,000); flour (wheaten), £6,732,000 (£6,699,000); raisins, £2,648,000 (£2,449,000); and sugar, £1,854,000 (£1,524,000).

Exports of metals, metal manufactures and machinery showed an increase of £4,092,000 to £11,398,000 (£7,306,000 in 1943-44). Lead, pigs and in matte totalled £5,558,000 (£3,158,000); zinc bars, blocks, etc., £1,879,000 (£1,203,000); iron and steel, increased by £87,000 to a total of £1,196,000 (£819,000); and machines and machinery, £1,117,000 (£1,006,000).

TABLE 3
Australian Exports by Commodity Groups

	1938-39 Total Exports	1943-44		1944-45	
		Civil Exports Figures in	Total Exports £1,000	Civil Exports Australian	Total Exports
Foodstuffs of animal origin	27,252	15,921	24,846	15,774	28,013
Foodstuffs of vegetable origin	25,600	16,173	26,617	16,140	28,857
Spirituous and alcoholic liquors	1,201	1,272	1,354	1,775	1,836
Tobacco and preparations thereof	351	566	863	291	820
Live animals	217	39	49	44	51
Animal substances, not foodstuffs	47,329	52,554	52,626	52,613	52,621
Vegetable substances and fibres	307	657	951	535	985
Apparel, textiles and yarns	669	704	2,928	1,112	2,324
Oils, fats and waxes	713	....	4,442	....	2,546
Paints and varnishes	178	102	109	99	104
Stones and minerals, including ores	2,670	2,447	2,472	2,512	2,559
Metals and metal manufactures and machinery	10,058	6,767	7,306	10,554	11,398
Rubber and leather	756	....	938	....	1,007
Wood and wicker	1,109	335	353	480	486
Earthenware, cements, china, glass, etc.	219	180	192	227	325
Paper and stationery	493	281	375	273	474
Jewellery, timepieces and fancy goods..	180	111	114	85	90
Optical, surgical and scientific instru- ments	385	127	185	176	274
Drugs, chemicals and fertilizers	766	1,016	1,203	1,090	1,611
Miscellaneous	1,080	1,548	8,749	1,730	13,163
Unrecorded exports (estimated) .....	....	....	10,000	....	10,000
Total	121,533	104,120	146,672	107,143	147,589

Shipments of stones and minerals £2,559,000 (£2,472,000 in 1943-44). The main items were: zinc ores and concentrates, £877,000 (£1,125,000); silver and silver lead, £783,000 (£604,000), other ores and concentrates, £577,000 (£441,000); and coal, £224,000 (£182,000).

An increase of £482,000 was shown for spirituous liquors, amounting to £1,836,000 (£1,354,000 in 1943-44), the chief items being ale, beer, porter, cider and perry, £694,000 (£338,000); wine, £596,000 (£423,000); and spirits, £546,000 (£593,000).

Drugs, chemicals and fertilizers showed an improvement of £408,000, amounting to £1,611,000 (£1,203,000 in 1943-44). The main items were: other drugs and chemicals, £971,000 (£580,000); perfumery and preparations, £243,000 (£268,000); medicines, £232,000 (£208,000); and eucalyptus oil, £136,000 (£124,000).

Exports of rubber and leather totalled £1,007,000 (£938,000 in 1943-44), an increase of £69,000, the main items being leather, £560,000 (£500,000); and rubber and manufactures, £400,000 (£385,000).

There was a decrease in the value of exports of oils, fats and waxes (for which figures have not previously been available) which totalled £2,546,000

(£4,442,000 in 1943-44), a reduction of £1,896,000. The principal items were: tallow, unrefined, £670,000 (£904,000); and other, £1,628,000 (£3,371,000).

Exports of apparel and attire, textiles and manufactured fibres also showed a decrease of £604,000 to £2,324,000 (£2,928,000 in 1943-44). Piece-goods accounted for £890,000 (£259,000); other apparel and attire, £470,000 (£1,666,000); and other textiles, £556,000 (£127,000).

Of the remaining classes, increases were shown for vegetable substances, £985,000 (£951,000 in 1943-44); wood and wicker, £486,000 (£353,000); paper, etc., £474,000 (£375,000); earthenware, glass and stone, £325,000 (£192,000); and optical, surgical and scientific instruments, £274,000 (£185,000). There were decreases, however, in exports of tobacco, £820,000 (£863,000); and jewellery, timepieces and fancy-goods, £90,000 (£114,000).

Imports by Commodity Groups

Total imports, which include goods earmarked specifically for war purposes, are less indicative of the normal requirements of the country than are those for civilian requirements. Import values for 1944-45, with comparative figures for 1943-44 and the pre-war year 1938-39, are shown in Table 4.

TABLE 4
Australian Imports by Commodity Groups

	1938-39 Total Imports	1943-44		1944-45	
		Civil Imports	Total Imports	Civil Imports	Total Imports
		Figures in £1,000		Sterling	
Foodstuffs of animal origin	1,600	230	688	472	1,099
Foodstuffs of vegetable origin	3,958	4,164	4,609	5,133	5,711
Spirituuous and alcoholic liquors	720	110	112	346	346
Tobacco and preparations thereof	1,864	4,219	4,264	3,073	3,097
Live animals	183	31	31	77	77
Animal substances, not foodstuffs	1,942	484	513	516	672
Vegetable substances and fibres	2,597	4,526	4,875	5,473	6,468
Apparel, textiles and yarns	17,756	18,989	33,854	26,211	39,783
Oils, fats and waxes	8,698	....	20,831	....	18,121
Paints and varnishes	581	388	440	358	492
Stones and minerals, including ores	901	941	1,432	755	1,212
Metals, metal manufactures and machinery	31,274	12,678	94,476	8,548	65,911
Rubber and leather	1,689	....	2,662	....	1,584
Wood and wicker	2,080	542	612	744	1,214
Earthenware, cements, china and glass	1,862	690	780	1,044	1,144
Paper and stationery	6,186	3,418	4,510	4,243	5,721
Jewellery, timepieces and fancy goods..	1,432	447	515	351	435
Optical, surgical and scientific instru- ments	1,600	1,241	1,518	1,177	1,670
Drugs, chemicals and fertilizers	5,598	4,228	5,855	4,601	5,709
Miscellaneous	6,792	6,201	27,452	4,762	25,536
Total	99,313	78,350	210,029	80,029	186,013

The advanced cost of production abroad, freight rates in excess of those prevailing in the pre-war period, and the continuing influence of import control measures have served to reduce the comparability value of pre-war and present figures.

Briefly, Australia's dependence on overseas markets has been most noteworthy in the case of apparel, textiles and yarns, foodstuffs of vegetable origin, and tobacco and manufactures thereof, all of which have shown an increase in value despite the curtailment in the over-all value of imports during the wartime period.

On the other hand, it is shown that, for any one of a number of reasons, Australian economy during the war was less dependent on imported supplies of metals; metal manufactures and machinery; wood and wicker; paper and stationery; jewellery, time-pieces and fancy goods; optical, surgical and scientific instruments; and drugs; chemicals and fertilizers and also on supplies of the wide range of unclassified items termed "miscellaneous".

In other words, the first somewhat detailed Australian trade figures released in six years show the cumulative effects of all the factors which have operated domestically and abroad during the intervening period.

DETAILS OF IMPORTS

(Values shown are in British currency;
£1 sterling equals \$4.47 Canadian)

Total imports into Australia in 1944-45 were valued at £186,013,000 as compared with £210,029,000 for 1943-44, a decrease of £24,016,000. The reduction is probably attributable to continuing control of imports by the Division of Import Procurement, as well as to a lessening of Lease-Lend and Mutual Aid shipments.

METALS, METAL MANUFACTURES AND MACHINERY

Again the highest value was for metals, metal manufactures and machinery, amounting to £65,943,000 as compared with £94,476,000 for 1943-44,

a marked decrease of £28,533,000. This class is made up of two sections, as follows:—

(a) *Machines and Machinery*—The total value of imports under this section was £22,878,000 (£22,044,000 in 1943-44), an increase of £834,000. Motive-power machinery accounted for £10,149,000 (£8,221,000); other machines and machinery, £3,471,000 (£2,968,000); other electrical machinery, £3,316,000 (£2,483,000); telegraph, telephone instruments, etc., £1,380,000 (£705,000); metal-working machinery, £1,043,000 (£4,405,000); dynamo electric machines, £778,000 (£478,000); cable and wire, covered, £662,000 (£1,015,000); roller bearings and ball bearings, £490,000 (£503,000); sewing-machines, £314,000 (£248,000); yarn and textile-making machinery, £284,000 (£297,000); batteries and accumulators, £202,000 (£86,000).

(b) *Metals and Manufactures*—A decrease of £29,367,000 is recorded for this section, the total value of imports being £43,065,000 (£72,432,000 in 1943-44). Other metals and manufactures were the chief item, totalling £26,043,000 (£52,191,000); motor-car chassis and parts, £8,914,000 (£12,128,000); tinned plate and sheet, £3,994,000 (£3,801,000); tools of trade, £1,144,000 (£1,347,000); platedware and cutlery, £483,000 (£492,000); plain sheet and plate, £479,000 (£429,000), and iron and steel bars, rods, etc., £326,000 (£609,000).

APPAREL, TEXTILES AND YARNS

Under this heading there was an increase in imports of £5,929,000, the value being £39,783,000 (£33,854,000 in 1943-44). This class is divided into three sections, namely:

(a) *Apparel and Attire*—Total imports were £1,648,000 (£1,174,000 in 1943-44), an increase of £474,000. The principal items were: other apparel and attire, £767,000 (£762,000); shirts, collars, ties, etc., £340,000 (£11,000); trimmings and ornaments, £292,000 (£327,000); and hats and caps, £178,000 (£12,000).

(b) *Textiles*—An increase of £3,013,000 was shown under this heading, the total being £29,694,000 (£26,681,000). Items of interest were: cotton and linen piece-goods, £16,948,000 (£11,990,000); silk and artificial silk piece-goods, £6,502,000 (£4,840,000); other piece-goods, £1,498,000 (£1,038,000); canvas and duck, £1,265,000 (£2,992,000); sewing cottons, threads, etc., £771,000 (£719,000); woollen piece-goods, £374,000 (£296,000); towels and towelling, £285,000 (£268,000).

(c) *Manufactured Yarns and Fibres*—The total value of imports in this section was £8,441,000 (£5,999,000), an increase of £2,442,000. The principal items were: corn and flour bags and sacks, £3,867,000 (£1,615,000); cotton yarns, £1,608,000 (£945,000); artificial silk yarns, £1,270,000 (£1,176,000); woolpacks, £1,027,000 (£1,058,000).

OILS, FATS AND WAXES

Figures for this class, which have not been available during the war years, show that total imports decreased to £18,121,000 (£20,831,000 in 1943-44) in the year under review. Oils accounted for £17,815,000 (£20,584,000); and fats and waxes, etc., for £306,000 (£247,000).

VEGETABLE SUBSTANCES

An increase of £1,593,000 was shown in this class to £6,468,000 (£4,875,000 in 1943-44). Items were: raw cotton, £1,627,000 (£1,123,000); linseed, £1,184,000 (£761,000); gums and resins, £925,000 (£628,000); pulp for paper-making, £785,000 (£653,000); other fibres, £387,000 (£400,000); flax, hemp, etc., £370,000 (£93,000); tanning substances, £316,000 (£259,000); other seeds, £290,000 (£248,000); and copra, £271,000 (£417,000).

PAPER AND STATIONERY

Total imports were valued at £5,721,000 (£4,510,000), an increase of £1,211,000 over the figures for the previous year. The group is divided into two sections, as follows:

(a) *Paper*—Imports in this section were valued at £3,763,000 (£2,878,000), an advance of £885,000 over the total

for the previous year. The principal commodities were: printing paper, £1,874,000 (£888,000); writing and type-writing paper, £636,000 (£714,000); wrapping paper, £309,000 (£391,000); millboards and other boards, £175,000 (£141,000); parchment, £172,000 (£209,000).

(b) *Stationery*—An increase of £326,000 was recorded for imports, the total being £1,958,000 (£1,632,000). Books (printed), directories, etc., accounted for £1,431,000 (£1,164,000); pens and pencils for £163,000 (£141,000); and other stationery for £345,000 (£314,000).

FOODSTUFFS OF VEGETABLE ORIGIN

An increase in value of £1,102,000 over last year's figures is recorded, the total being £5,711,000 (£4,609,000). Items included were: tea, £3,692,000 (£3,288,000); coffee and chicory, £530,000 (£348,000); cocoa and chocolate, £489,000 (£279,000); edible nuts, £318,000 (£154,000); spices, £162,000 (£98,000); unprepared grain and pulse, £134,000 (£235,000); dried fruits, including dates, £125,000 (£1,000).

DRUGS, CHEMICALS AND FERTILIZERS

There was a decrease of £146,000 in imports under this classification, the value being £5,709,000 (£5,855,000). The main imports were: fertilizers, £1,385,000 (£889,000); other drugs and medicinal preparations, £749,000 (£602,000); dyes, £516,000 (£649,000); proprietary medicines, £374,000 (£752,000); other sodium salts, £302,000 (£468,000); other drugs and chemicals, £1,269,000 (£1,502,000).

TOBACCO

The total for this class for the current year was £3,097,000 (£4,264,000), a decrease of £1,167,000. Imports of unmanufactured tobacco were valued at £3,080,000 (£4,213,000); manufactured tobacco, £15,000 (£36,000); and cigarettes, £2,000 (£15,000).

OPTICAL, SURGICAL AND SCIENTIFIC INSTRUMENTS

There was an increase of £152,000 for this group, the total value being £1,670,000 (£1,518,000). The main

items were: surgical and dental instruments, £555,000 (£652,000); films for cinematographs, etc., £476,000 (£402,000); optical and meteorological instruments, £353,000 (£217,000); and other instruments, £272,000 (£225,000).

RUBBER AND LEATHER

Total imports in this class were valued at £1,584,000 (£2,662,000), a decrease of £1,078,000. The section is divided into two classes: (a) rubber and manufactures, £1,555,000 (£2,612,000); and (b) leather, etc., imports of the latter totalling £39,000 (£50,000) in value. Leather imports were worth £27,000 (£32,000); and those of leather manufactures, etc., £12,000 (£18,000).

WOOD AND WICKER

Imports totalled £1,214,000 (£612,000) in value, an increase of £602,000. This group comprised undressed timber, £929,000 (£475,000); dressed timber, £190,000 (£48,000); and wood and wicker manufactures, including furniture, £95,000 (£89,000).

STONES AND MINERALS

A decrease of £220,000 was shown for 1944-45 imports in this group, the value being £1,212,000 (£1,432,000). Asphalt, bitumen and pitch totalled £261,000 (£318,000); abrasives, £222,000 (£398,000); and other minerals, £720,000 (£702,000).

EARTHENWARE AND GLASS

Imports under this heading were valued at £1,144,000 (£780,000), an increase of £364,000, the principal items being crockery and household ware, £570,000 (£356,000); glass and glassware, £459,000 (£306,000); and other earthenware, cements, china and stoneware, £115,000 (£118,000).

FOODSTUFFS OF ANIMAL ORIGIN

There was an increase of £411,000 in imports in this class, the total value being £1,099,000 (£688,000) and comprising fish preserved in tins, £644,000 (£486,000); sausage casings, £252,000 (£42,000); and fresh, smoked and potted fish, etc., £117,000 (£97,000).

ANIMAL SUBSTANCES

Increased imports were recorded for animal substances, the total value being £672,000 (£513,000), an advance of £159,000. The principal items were: calf, cattle and horse hides and skins, £207,000 (£176,000); other hides and skins, £191,000 (£192,000); hair and fibre, £124,000 (£52,000).

PAINTS AND VARNISHES

A total of £492,000 (£440,000) was shown for imports under this classification, an increase of £52,000 over the figure for the previous year. Paints and colours, £488,000 (£434,000) accounted for almost all the import value, varnishes, stains, lacquers, etc., amounting to only £4,000 (£6,000).

JEWELLERY, TIMEPIECES AND FANCY GOODS

A decrease of £80,000 was recorded for imports in this class to £435,000 (£515,000). Timepieces, watches, clocks, etc., accounted for £291,000 (£264,000), and fancy goods, other than articles for games and toys for £82,000 (£98,000).

SPIRITUOUS LIQUORS

The value of imports in this class increased considerably to £346,000 (£112,000). Whisky, £339,000 (£101,000), made up the bulk of the imports; other spirits, including liqueurs, accounted for £6,000 (£1,000).

LIVE ANIMALS

The import value for live animals increased to £77,000 (£31,000), or by £46,000.

MISCELLANEOUS

Items in this group comprised outside packages, £2,719,000 (£3,972,000); goods imported by parcel post, £545,000 (£547,000); packing for engines, £265,000 (£179,000); articles of celluloid, etc., £90,000 (£126,000); oilmen's stores, £75,000 (£56,000); brushware, £23,000 (£17,000); soap, £18,000 (£12,000); musical instruments, etc., £10,000 (£5,000), and bags, baskets, boxes, etc., £6,000 (£4,000).

CONDITIONS IN THE EASTERN GROUP OF THE BRITISH WEST INDIES AND THE GUIANAS

By T. G. MAJOR, *Canadian Trade Commissioner at Port of Spain*

The outstanding feature of business conditions in the eastern islands of the Caribbean and the Guianas is the shortage of consumer goods. While the retail shops appear to be fairly well stocked, on closer examination it is apparent that the range of goods is limited and that reserves are in very short supply. This is due to continued restrictions on importations, necessitated by limited shipping during the war years and carried on into peace time because of the shortage of dollars. In the food field, import requirements are being maintained at a minimum level because of the general world scarcity.

Despite these conditions, business continues to be active, with bank clearings generally above the level of the early part of 1945. Purchasing power also remains at the relatively high level established during the war years, and the cost-of-living indices in the various colonies appear to have levelled off after sharp rises during 1945, although further increases are expected. Wage settlements in the petroleum and sugar industries in Trinidad and the promise of a seasonal movement of labour from Barbados to the United States have contributed to stability in the labour field. The repeal of excess profits taxation in Trinidad and the raising of income-tax exemptions in Barbados is expected to contribute to business expansion. In British Guiana there is considerable activity in the gold-mining field, Canadian capital and enterprise playing a major role, although, with the coming of peace, bauxite production is lower. The harvesting of the sugar-cane, cotton and cocoa crops is proceeding, with weather conditions and yields generally satisfactory throughout the whole region.

WEST INDIAN CONFERENCE

The second session of the West Indian Conference, held in St. Thomas,

United States Virgin Islands, during February and March, stressed the importance of agricultural and industrial diversification, improved transportation facilities, and unified tourist-trade development. Agricultural diversification this year again will have to be limited to campaigns for increased production of locally grown food crops, such as rice, yams, eddoes, cassava, etc., to supplement the restricted importations of food from abroad. The greatest shortage in the food field continues to be meat, fish, and dairy products.

INDUSTRIAL DEVELOPMENT

Local industries, including the manufacture of soap and edible coconut oil, canning of grapefruit juice, and the production of citrus marmalade, cassava starch, lime oil and juice, etc., are in a generally satisfactory condition. In British Guiana an extensive study is being made of the possibilities of establishing industries for the production of cement, wood veneers, glass, and paper. An extension of the Canadian-owned electric-power plant has been announced. In Trinidad the production of wrapping paper and bags, utilizing the waste from the sugar factories, is being explored.

TOURIST TRADE

Tourist-trade possibilities are being discussed throughout the area. New hotels and extensions are in progress of construction, or being planned, in Barbados, Trinidad, the Windward Islands, and the United States Virgin Islands. However, plans of this kind, as well as much needed housing, office building and industrial construction, are hampered by the shortage of building materials. The lack of sufficient passenger shipping is the subject of considerable discussion on the part of the various Chambers of Commerce. Although there are signs of improvement on the routes between Canada

and the United States and this area, an acute shortage continues on the lines from the United Kingdom, France and the Netherlands. The position with respect to air traffic is improving, although there is still a serious shortage of planes on the local lines, and much work will be needed to improve and enlarge landing fields, especially in the smaller islands, before full advantage can be taken of the potential tourist and business traffic.

MONETARY AND TRADE DISCUSSIONS

Generally speaking, business is marking time pending settlement of the exchange situation and clarification of

the trade position, especially with respect to Imperial preference. A conference is being held in Barbados in May to deal with monetary reform in the British West Indies. Following this, there will be one concerning trade matters, preliminary to the Empire trade talks in London. In the politico-economic field the proposals put forward by the Secretary of State for the Colonies for the federation of the Leeward and Windward Islands are the subject of much discussion, generally of a favourable nature. The proposals are reviving talk of a wider federation of the British colonies in the area.

FRENCH RELEASE AGREEMENT CONCLUDED

The Assistant Deputy Custodian, Department of the Secretary of State, announced under date April 25, 1946, that an agreement respecting the release of French property in Canada has now been concluded with the French Government. The agreement concerns only property which, by virtue of the Regulations Respecting Trading with the Enemy, has been vested in and subject to the control of the Canadian Custodian since June 21, 1940, by reason of the occupation of France by the enemy.

The agreement extends to French territory in Europe, Algeria, Tunisia, Monaco and the French Zone of Morocco and applies to persons, including individuals and corporations, who resided in or had their principal place of business in any of the above-described territories on the 5th day of June, 1944.

Under the terms of the agreement, the Canadian Custodian is prepared to

release French property only on the basis of an individual application made by the beneficial owner. This application must be accompanied by the official certificate issued by l'Office des Changes in France.

Persons desiring a release of their assets in Canada should apply to l'Office des Changes or its authorized Agency in the district where they reside. This Agency will furnish the applicant with complete information and supply him with copies of the required forms for completion.

Persons resident in Canada may now resume ownership and management of their property situated in any of the French territories described above by directing their request, containing full particulars of the property in question, either to l'Office des Changes, Paris, France, or to their representatives or agents in France.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. M. J. Vechsler, formerly Commercial Secre-

tary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales); and Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town,

South Africa (territory includes Cape Province and South-West Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola).

Their itineraries as at present arranged are as follows:—

Mr. Vechsler

Montreal and district—May 13 to 22.

Quebec City and district—May 23.

Hamilton and district—May 28 to 30.

Brantford—May 31.

Kitchener and district—June 3 to 5.

Windsor—June 6 and 7.

Toronto—June 10 to 29.

Mr. Allen

Vancouver and Victoria—May 13 to 22.

Calgary—June 3 and 4.

Edmonton—June 5.

Firms wishing to confer with these Trade Commissioners should communicate: for Montreal, with the Montreal Board of Trade; for Vancouver, Edmonton and Toronto, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

PULP AND PAPER SITUATION

Prepared in the Export Division, Foreign Trade Service

Since January 1, 1946, export control in Canada of all pulp and paper commodities was discontinued, with the exception of kraft, paperboard, and a few converted paper items such as paper towels, small rolls of toilet paper, etc. Judging from the numerous inquiries received in the Export Division of the Department of Trade and Commerce, the impression in overseas markets appears to be that pulp and paper commodities are in freer supply than during the war years. However, this is not so and, as a matter of fact, supplies are still just as tight as, if not tighter than, at any time during the past five years. There are several reasons to account for this. The first is that, due to an early thaw in February and March of 1945, a considerable quantity of the cut of pulpwood was left behind in the woods, with the result that there was not sufficient wood-pulp available to keep the mills operating to capacity. Last season's cut should be better, but this will not begin to reach the mills until May or June of this year. The shortage of labour for woods operations has also retarded over-all production, but this situation, it is hoped, will right itself during the coming fall and winter. Wood is the base of all pulp and paper manufacture and, if supplies are not sufficient to enable the mills to run to near capacity,

all grades of paper—newsprint, kraft, fine papers, paperboard, etc. — are bound to continue in short supply.

Wartime Production

During the war Canadian pulp and paper output was greatly expanded. Indeed, increased output was a war-time essential. How the industry met the need is shown by statistics. Pulpwood production in the six war years was one-third greater than the average for the 1935-39 period. By 1942 pulp exports to Britain and the United States had doubled the 1939 figure, and total pulp exports for the past four years are more than double the 1939 figure. From 1939 to 1941, newsprint output had been increased from 2.9 million to 3.4 million tons, and the total production of other papers and paperboard from 1938 to date has almost doubled. This record was achieved despite severe restrictions in the use of hydro-electric power, much of which was diverted to essential war plants. Moreover, the industry was faced with a manpower problem, because 12,000 men, normally about one-third the working force at the mills, enlisted in the armed forces.

In a review of the "Prospects of Pulp and Paper in the Reconversion Period," Mr. R. M. Fowler, President

of the Canadian Pulp and Paper Association, is quoted as follows:

"Although it is estimated that Canadian mills will in 1946 produce 28 per cent more newsprint than in 1939, there are two important factors adversely affecting the supply situation. One is that there have been some shifts in distribution during the past six years. The other factor is the low level of newsprint stocks the world over.

"Consumers in Canada have received an average of 6 per cent of total Canadian tonnage through the pre-war and wartime periods and will continue to receive the same share in 1946. In pre-war years, United States consumers received an average of 76 per cent of total Canadian output and an average of 81 per cent during the war. In 1946 the United States will continue to receive 81 per cent of the Canadian output. Shipments to all other countries were 18 per cent pre-war, 13 per cent in wartime, and will remain at 13 per cent in 1946, a drop from 1945, when they were 16 per cent of the total.

"The wartime decline to 13 per cent for overseas countries was due to shortage of shipping space and other factors. Continuance of this low share in 1946 and the decrease from 1945, both in tonnage and percentage, are due chiefly to post-war monetary restrictions, the 1946 position of British purchasers of Canadian supplies being an example. It is expected that overseas buyers will eventually regain their purchasing ability, and that Canadian producers will again supply their normal share of the requirements of these markets. The purchase by British publishers of 50,000 long tons of Canadian and Newfoundland newsprint during 1946 was authorized recently by the British Government. The authorization deferred, for possible shipment in 1946 and 1948, the remainder of an order for 224,000 long tons for which the British publishers had originally contracted for in 1946. Thus friendly relations between the Canadian industry and the purchasers of its products in

the United Kingdom will be preserved throughout the difficult reconstruction period, a situation which should prove of increasing importance when conditions are once more normal.

"In 1946, Canadian purchasers of papers other than newsprint will be allotted, on a yardage basis, at least 25 per cent more than in pre-war years. The amount of paper to be made available exceeds even the total for 1945, an unprecedented production year. But an increasing demand from those whose needs were curtailed by the war and from essential new users will absorb almost all the additional 1946 tonnage. Thus the supply of fine paper to wholesalers, converters, printers, and other purchasers generally can at best be only marginally higher during 1946."

Increased Demand

Before the war there was a world surplus of pulp and paper productive capacity in relation to the then world demand; to-day there is an urgent need throughout the world for pulp and paper of all kinds. Pulp, originally used only in the production of paper, is in increasing demand as a raw material for the fabrication of rayon, plastics, building and packaging materials and many other products.

The main wood sources are the forests of the United States, Scandinavia, Brazil, Russia, and Canada. Consumption of pulp and paper in the United States far exceeds that country's production of pulpwood. Following the reconstruction period, Scandinavia will naturally turn to meeting large demands in European countries. There is little likelihood of immediate extensive development of the industry in Brazil. Any increase in pulp and paper production in the Soviet Union could easily be absorbed within that country, and exports would be the result of government planning to provide exchange. While the situation in that country is not clear, the total tonnage involved is a very small percentage of world supply. Thus it is

apparent that, at least for some time to come, the task of meeting a major portion of the world export demand for pulp and paper must fall to the Canadian industry. In meeting this need, the pulp and paper industry will, as always, contribute in no small measure to the stability of the Canadian economy, particularly in the years which lie immediately ahead.

It was expected that the kraft-paper situation would ease somewhat, enabling the mills to export additional tonnages in 1946. This now appears unlikely, as the heavy demand for kraft paper for the production of multiwall bags for packaging cement, flour, etc., will absorb a larger proportion of Canadian production. One of the large kraft producers on the Pacific coast has also been hampered by water and power conditions, which have reduced operations during the past two months from seven to four or five days a week.

A bright side to the picture is the steady expansion of the industry throughout Canada. Construction of many new pulp mills is either contemplated or under way, and plant renovations and improvements are being undertaken by many mills manufacturing various grades of pulp, paper and converted paper products.

However, some of these pulp mills are being constructed by large United States firms which in the past have imported their pulpwood from Canada. They foresee the time when the demand for wood required for purposes other than paper-making will make it increasingly difficult to obtain all the supplies necessary for the operation of their mills in the United States. Accordingly they have acquired, by lease or licence, large limits in Canada and have erected mills where they manufacture their own pulp and ship it to their paper mills in the United States. Canada benefits from operations of this kind in that the wood is

cut and processed into pulp before export, thereby providing work for many more men than would otherwise be the case if the wood alone were exported. There is no saving of the wood itself so far as Canada is concerned.

It is expected that in 1947 there will be an even larger quantity available for export markets than ever before, but the situation during 1946 will undoubtedly be tight.

POSTWAR TRADE REVIEWS

This is a series of reports designed to provide for Canadian exporters, potential exporters and others interested in the promotion of Canada's external trade a general description of the economy and trade of a number of Empire and foreign countries, the changes that have occurred in them during the war years, and an indication of the possible opportunities for Canadian trade with them during the early postwar years. The reports, prepared by Canadian Trade Commissioners, deal with the resources, production and industries of the countries, their wartime industrialization, if any, pre-war and wartime trade, trade with Canada, tariff structure, trade policy, etc.

Copies of pamphlets in this series are now available for the countries listed below and may be obtained free of charge on application to the Department of Trade and Commerce, Ottawa:—

Argentina*
Australia
British West Indies and British
Guiana
Central American Republics
Chile
Cuba
Ecuador
Haiti and Dominican Republic
India*
New Zealand*
Peru

Pamphlets on other countries are in course of preparation and will be listed when ready for distribution. Those indicated by asterisks are temporarily out of print.

WORLD WHEAT SITUATION

From the monthly review in the *Dominion Bureau of Statistics Bulletin*

The widespread publicity now being given to the grave and urgent nature of the food crisis has served to focus the attention of the world upon the rapidly dwindling supplies of the few countries still in a surplus position. The peoples of these relatively fortunate areas are responding quickly to the demands made upon them, and many new measures have been designed to bring out immediately more exportable supplies.

Canada has released considerable quantities of oats and lower-grade wheat which had been held in reserve for feeding purposes; the United States has put into effect a new set of regulations designed to decrease domestic consumption and to speed farm deliveries of grain; Argentina has raised her price to the farmers, at least for a limited period; and Australia has taken action to implement her high acreage goal by promising an increase in price to the farmers. The United Kingdom is playing its part by agreeing to the diversion of cargoes destined for her own ports to even more needy areas, by reducing the size of her standard loaf of bread by one-eighth and by decreasing the amount of grain allowed to brewers to 90 per cent of the pre-war level.

In Canada the below-average 1945 crop, together with the high rate of exports maintained through the first eight months of the crop year, had reduced total stocks of wheat at March 31 to 213.4 million bushels from a level of 504.2 million bushels at the same date last year. This figure includes farm-held stocks of 106 million bushels, out of which must come seed for the 1946 crop and whatever amounts may be required for live-stock and poultry feed during the remaining third of the crop year; any balance then remaining will be divided between deliveries and July 31 carry-over stocks of sufficient magnitude to meet farm requirements until new grain is available. In spite of current low stocks, it is anticipated that Canada's

exports of wheat and flour in terms of wheat will reach, and perhaps exceed, 340 million bushels for the crop year.

In the United States, it became apparent near the end of the first quarter of the year that earlier enacted measures were not bringing sufficient grain into position for export. On April 19 a new six-point program for famine relief was announced. This program includes a bonus of 30 cents per bushel on wheat delivered on the certificate plan up to May 25 and also provides that millers must reduce their production of flour for domestic consumption to 75 per cent of the quantity distributed domestically in the corresponding months of 1945. The Administration is now hopeful of meeting the export goal, although certain other sources in the country are rather less optimistic.

On April 17 the Argentine Government announced a wheat-price increase equivalent to approximately 45 cents (Canadian) per bushel for a limited period. It is hoped that this decree may speed up farm deliveries and also encourage seeding of a greater acreage to wheat in the new crop year.

In Australia, rains during February built up subsoil moisture reserves and provided favourable conditions for wheat seeding, which started in April and will continue through June. Doubts are still expressed as to the achievement of the wheat-acreage goal of 15.5 million acres. Scarcity of fertilizer, machinery and labour is still deemed to be a limiting factor.

In Europe, weather conditions are reported to have continued favourable for growing crops, but rainfall has been light in some areas recently, and soaking rains now would be most welcome for winter crops and to facilitate development of spring grains. Optimism over the general crop is tempered by the shortages of fertilizers and the planting of smaller acreages in some countries than were planted during pre-war years.

CANADA'S EXTERNAL TRADE IN MARCH

Canada's external trade in March, excluding gold, was valued at \$319,-922,000 as compared with \$271,731,000 in February and \$439,493,000 in March, 1945, according to figures released by the Dominion Bureau of Statistics. The decline of 27 per cent as compared with the corresponding month of last year was more moderate than that recorded for February and was due, as in that month, to the virtual cessation of shipments of war materials and equipment. For the first quarter of the current year external trade aggregated \$923,306,000 as against \$1,155,775,000 for the similar period of 1945.

Exports

Domestic merchandise exports from Canada were valued at \$178,377,000 as compared with \$301,175,000 in March, 1945, a decline of \$122,798,000 as against a drop of \$119,571,000 in total trade. Exports in the iron, non-ferrous metals and miscellaneous groups of commodities were sharply lower, while advances were recorded for agricultural and vegetable products and wood and paper products.

March exports of foreign commodities amounted to \$1,595,489 as compared with \$5,831,459 in March, 1945. The three-month total was \$5,440,565 as against \$13,193,598 for the first quarter of 1945.

Imports

Canada's merchandise imports in March were valued at \$139,949,000 as compared with \$116,996,000 in February and \$132,486,000 in March, 1945.

The total for the first three months of the current year was \$397,255,000 as against \$374,544,000 for the corresponding period of 1945.

Imports from the United States were lower at \$100,132,000 as against \$105,-334,000 in March, 1945, the total for the three months of the current year being \$283,583,000 as against \$299,-954,000 last year. Imports from the United Kingdom advanced in value to \$14,435,000 as compared with \$9,284,-000 last year, and the three months' total to \$47,496,000 as against \$25,-418,000 for the similar period of 1945.

Among British Empire countries, imports from British India were valued at \$2,141,000 (\$3,099,000 in March, 1945); Australia, \$2,002,000 (\$1,713,-000); British Guiana, \$1,018,000 (\$860,000); British East Africa, \$983,-000 (\$152,000); New Zealand, \$842,000 (\$137,000); and British South Africa, \$730,000 (\$510,000).

Among foreign countries, commodity imports from Mexico were valued at \$2,105,000 (\$1,687,000); Venezuela, \$1,384,000 (926,000); Honduras, \$1,-370,000 (\$659,000); Brazil, \$732,000 (\$451,000); Colombia, \$658,000 (\$1,-062,000); Guatemala, \$652,000 (\$47,-000); Switzerland, \$687,000 (\$453,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of March and the three months ended March, 1945 and 1946:—

Imports by Principal Countries

	Month of March		Three months ended March	
	1945	1946	1945	1946
All countries	\$ 132,486,072	\$ 139,949,326	\$ 374,544,065	\$ 397,254,989
British Empire	19,555,349	26,858,671	54,606,420	76,981,002
United Kingdom	9,284,492	14,434,550	25,417,885	47,496,310
Eire .....	.....	2,911	2,979	6,782
British East Africa	152,347	983,404	372,367	1,000,040
British South Africa	509,988	729,562	1,464,527	2,595,573
Southern Rhodesia	58,439	7,051	162,563	23,081
Gold Coast	1,104,346	446,727	2,378,980	836,803
Nigeria	454,723	507,199	1,120,774	1,126,416

Imports by Principal Countries—Con.

	Month of March		Three months ended March	
	1945	1946	1945	1946
<i>British Empire—Con.</i>				
Bermuda	1,011	....	4,756	5,044
British India	3,099,450	2,141,253	10,515,726	7,225,761
Ceylon	528,131	333,431	1,996,058	808,476
Straits Settlements .....	....	663,382	....	663,382
British Guiana	860,178	1,017,783	1,893,536	1,494,952
British Honduras	156,440	10,905	237,894	224,639
British Sudan	7,073	6,024	13,316	10,705
Barbados	494,016	26,966	1,308,697	157,740
Jamaica	421,699	778,508	1,378,805	2,919,006
Trinidad and Tobago	26,603	436,952	495,948	644,987
Other British West Indies ...	103,922	44,135	395,203	207,507
Hong Kong .....	....	119	....	12,305
Malta	493	3,185	493	25,968
Newfoundland	383,402	403,782	1,175,461	1,385,544
Australia	1,712,620	2,002,327	2,681,339	3,988,241
Fiji	164	598,820	637,925	1,236,944
New Zealand	136,664	842,087	812,963	2,333,220
Other British Oceania .....	....	420,074	....	420,074
Palestine	59,148	17,534	138,225	131,102
<i>Foreign countries</i>				
Abyssinia	112,930,723	113,090,655	319,937,645	320,273,987
Afghanistan .....	....	....	....	1,105
Argentina	45,592	163,229	62,176	812,635
Belgium	736,899	416,744	1,909,544	1,349,960
Belgian Congo .....	....	240,340	74	594,342
Bolivia	5,176	8,674	5,176	70,274
Brazil	19,993	15,031	25,378	15,031
Chile	450,797	731,624	996,516	3,019,554
China	75,635	14,278	156,475	96,080
Colombia .....	....	119,082	....	376,557
Costa Rica	1,061,823	658,435	2,442,365	2,526,931
Cuba	3,176	58,662	61,494	131,071
Czechoslovakia	156,343	511,052	1,220,505	2,158,208
Ecuador .....	....	17,953	....	25,404
Egypt	26,436	10,366	334,251	24,775
Finland .....	....	64,006	82,681	116,787
France .....	....	....	....	1,454
French Africa	315	147,565	1,541	291,645
French Oceania	25,339	81,927	25,503	192,712
French West Indies	733	2,402	13,917	13,961
Madagascar	17,349	....	28,370	3,262
Guatemala	18,324	6,582	39,749	30,317
Hayti (Republic of)	47,077	651,850	169,926	802,251
Honduras	38,312	54,810	102,402	286,302
Iraq	659,295	1,370,095	1,449,685	3,061,512
Mexico	209,373	338,734	644,215	1,153,717
Morocco	1,686,825	2,104,790	3,483,875	5,244,106
Netherlands	21,045	12,021	72,996	17,927
Netherlands West Indies	3,492	215,918	12,250	278,892
Norway	180,468	206,871	329,224	208,076
Paraguay	44,636	6,115	111,945	22,434
Persia	29,836	....	51,463	5,782
Peru	13,986	52,747	27,039	144,218
Portugal	13,594	22,588	25,852	190,252
Azores and Madeira	60,360	142,248	214,411	509,968
Portuguese Africa	2,323	7,378	7,990	38,119
Russia (U.S.S.R.)	8,353	112,022	30,978	324,571
Salvador	231,889	215,106	410,531	903,186
San Domingo .....	....	649,605	88,817	749,750
Spain	166,120	514,879	981,080	1,822,698
Sweden	130,872	442,625	551,436	1,426,969
Switzerland	6,718	372,719	6,718	1,083,086
Syria	452,957	686,990	758,973	2,029,597
Turkey	1,711	848	6,577	4,572
United States	7,085	46,528	7,085	172,360
Hawaii	105,333,664	100,132,087	299,954,172	283,582,645
Puerto Rico .....	....	8,139	....	38,462
Uruguay	424	45,477	10,003	62,049
Venezuela .....	....	6,889	16,341	14,321
	926,352	1,384,233	2,972,105	4,185,623

Imports by Principal Commodities

	Month of March		Three Months ended March	
	1945	1946	1945	1946
	Thousands of Dollars			
Total imports	132,486	139,949	374,544	397,255
Agricultural and vegetable products	17,877	26,281	51,894	69,428
Fruits	5,081	6,982	13,709	19,357
Fruits, fresh	3,969	5,585	11,055	14,194
Fruits, dried	940	796	2,039	3,509
Fruits, canned	119	319	380	730
Fruit juices and fruit syrups	53	281	235	924
Nuts	647	2,724	2,147	6,196
Vegetables	1,953	4,000	4,819	9,056
Vegetables, fresh	1,895	3,973	4,693	8,882
Vegetables, dried	2	11	18	140
Vegetables, canned	18	1	42	4
Pickles, sauces and catsups	38	15	66	30
Grains and products	1,191	1,717	2,571	3,765
Rice	323	217	721	568
Oils, vegetable, edible	26	100	60	665
Sugar and products	2,271	2,969	7,317	7,986
Sugar	2,177	2,546	7,130	6,611
Cocoa and chocolate	123	429	950	820
Coffee and chicory	168	1,568	481	4,183
Spices	59	84	150	237
Tea	1,991	613	6,991	3,330
Vegetable products, other, mainly food	60	185	227	784
Beverages, alcoholic	514	893	1,643	2,949
Beverages, distilled	451	768	1,427	2,454
Wines	60	124	202	492
Gums and resins	485	281	1,450	1,112
Oil cake and oil cake meal	16	22	45	87
Oils, vegetable, not edible	1,112	793	2,754	2,470
Plants, shrubs, trees and vines	78	128	166	289
Rubber	1,178	1,767	3,904	3,461
Rubber, crude	283	794	1,737	1,023
Seeds	256	259	890	744
Tobacco	155	257	518	767
Vegetable products, other, not food	510	510	1,101	1,168
Animals and animal products	3,575	5,001	10,667	17,055
Animals, living	74	124	243	402
Bone, ivory and shell products	58	70	171	163
Feathers and quills	13	35	37	68
Fish and fishery products, n.o.p.	323	345	563	845
Fish, fresh and frozen	272	283	625	659
Fish, dried, salted, pickled, smoked	21	29	61	90
Fish, canned or preserved	12	10	22	24
Furs	1,569	2,503	5,584	9,827
Undressed furs	1,089	1,456	4,222	7,429
Hair and bristles	71	101	131	309
Hides and skins, raw	228	214	882	589
Leather, unmanufactured	311	348	730	940
Leather, manufactured	334	383	795	1,038
Meats	10	89	169	276
Milk and products	43	29	93	127
Animal oils, fats, greases and wax	179	341	411	1,390
Animal products, other	362	418	757	1,082
Fibres, textiles and textile products	21,113	20,439	50,998	56,647
Cotton	10,281	8,478	24,705	25,645
Raw, and linters	4,271	3,408	10,612	11,180
Yarn	859	699	1,710	1,986
Fabrics	4,417	3,632	10,585	10,280
Flax, hemp and jute	1,359	1,907	4,537	4,814
Yarn	91	119	406	316
Fabrics, flax and hemp	95	228	219	524
Fabrics, jute	951	983	3,231	2,893
Silk	205	209	510	712
Fabrics	201	201	502	695
Wool	4,339	4,645	9,994	13,181
Raw wool	476	1,728	1,957	4,067
Noils and tops	695	570	1,129	1,868
Yarn	634	314	1,752	1,571
Worsted and serges	917	934	1,883	2,835
Fabrics, other	564	590	1,470	1,651

Imports by Principal Commodities—Con.

	Month of March		Three Months ended March	
	1945	1946	1945	1946
	Thousands of		Dollars	
Fibres, textiles and textile products— <i>Con.</i>				
Artificial silk	2,404	1,703	5,490	4,395
Yarn, twist and thread	1,370	808	2,966	2,028
Fabrics	997	783	2,445	2,097
Fibres and products, other	994	2,008	2,016	3,652
Mixed textile products	1,532	1,488	3,745	4,249
Wood, wood products and paper	4,423	5,831	11,183	15,551
Wood, unmanufactured	661	631	1,437	1,699
Planks and boards	438	389	957	1,059
Wood, manufactured	734	779	1,927	2,169
Wood-pulp	95	106	294	322
Paper	1,182	1,660	3,082	4,429
Books and printed matter	1,846	2,761	4,737	7,253
Iron and its products	34,699	29,979	95,210	86,581
Iron ore	208	18	727	29
Ferro-alloys	85	10	214	71
Pigs, ingots, blooms, billets	624	63	940	104
Scrap iron	53	55	162	172
Castings and forgings	889	424	2,398	1,302
Rolling mill products	4,893	3,398	12,096	9,153
Pipes, tubes and fittings	473	410	1,367	1,526
Wire	491	227	1,053	734
Chains	195	104	540	375
Engines and boilers	2,648	1,527	8,190	4,656
Farm implements and machinery	4,429	3,692	11,678	11,926
Hardware and cutlery	361	468	980	1,439
Machinery (except agricultural)	7,935	8,711	19,337	25,724
Springs	18	34	47	131
Stamped and coated products	160	189	417	597
Tools	659	786	1,919	2,260
Vehicles, chiefly of iron	7,839	6,439	24,833	16,768
Automobiles, freight	53	211	1,381	603
Automobiles, passenger	136	862	469	1,640
Automobile parts	7,375	4,913	21,715	13,614
Iron products, other	2,737	3,424	8,313	9,613
Non-ferrous metals and their products	9,367	7,219	24,468	22,079
Aluminium	367	457	1,014	1,290
Brass	426	430	1,064	1,246
Copper	104	115	230	407
Lead	34	11	91	34
Nickel	88	203	251	589
Precious metals (except gold)	485	685	678	1,539
Tin	35	13	1,643	1,729
Zinc	72	177	184	459
Alloys, n.o.p.	54	54	185	215
Clocks and watches	484	689	914	1,821
Electrical apparatus	4,586	3,434	11,840	9,816
Radio and wireless apparatus	1,937	974	4,879	2,589
Gas apparatus	29	23	77	89
Printing materials	101	144	261	440
Non-ferrous metals, other	2,503	783	6,033	2,406
Non-metallic minerals and their products	19,030	22,236	50,792	64,736
Asbestos	207	150	552	393
Clay and products	1,145	1,409	2,942	3,961
Coal and products	8,432	10,695	23,061	32,020
Coal	7,477	9,574	20,998	28,504
Coke	843	1,034	1,769	3,139
Glass and glassware	1,603	1,778	3,812	4,688
Graphite	44	41	107	106
Mica and products	27	23	71	60
Petroleum products	5,915	5,938	15,974	18,067
Stone and products	807	767	2,155	2,152
Non-metallic minerals, other	850	1,435	2,117	3,290
Chemicals and allied products	7,501	7,558	18,986	21,552
Acids	304	281	790	790
Alcohols, industrial	25	25	52	176
Cellulose products	475	537	1,264	1,465
Drugs and medicines	805	729	2,165	2,261
Dyeing and tanning materials	801	700	1,871	2,101
Explosives	75	89	250	255

	Month of March		Three Months ended March	
	1945	1946	1945	1946
	Thousands of		Dollars	
Fertilizers	259	320	723	1,171
Paints and varnishes	797	846	1,988	2,488
Perfumery, cosmetics, toilet preparations....	36	37	93	120
Soap	9	52	32	135
Inorganic chemicals, n.o.p.	971	977	2,397	2,701
Potash and compounds	92	46	208	151
Soda and compounds	258	456	831	1,161
Chemical products, other	2,944	2,965	7,362	7,890
Miscellaneous commodities	14,902	15,404	60,346	43,626
Amusement and sporting goods	270	416	671	1,041
Brushes	25	42	57	131
Containers, n.o.p.	121	159	363	481
Household and personal equipment, n.o.p....	704	1,424	1,869	3,486
Mineral and aerated waters	16	373	58	909
Musical instruments	76	127	179	359
Scientific and educational equipment	814	949	2,280	2,705
Ships and vessels .....	....	102	1,183	223
Vehicles, except iron	2,117	737	6,655	2,258
Aircraft (excluding engines)	2,088	654	6,560	2,083
Paintings and other works of art	82	143	206	585
Miscellaneous commodities, other	10,693	11,306	46,882	32,357
War materials (Order in Council)	7,311	2,110	34,696	2,276

ECONOMIC, TRADE AND PRODUCTION NOTES

Chile

MINERAL PRODUCTION DURING THE WAR YEARS

Mr. R. E. Gravel, Acting Commercial Secretary at Santiago, Chile, writes under date April 24, 1946, that, according to the monthly bulletin of the Banco Central de Chile, the production of nitrate during the period 1939-45, in thousands of tons, was as follows: 1939, 1,440; 1940, 1,485; 1941, 1,416; 1942, 1,332; 1943, 1,171; 1944, 990; 1945, 1,339.

The foregoing figures indicate that nitrate, as a strategic material, has been replaced by the synthetic product, and as a fertilizer, due to the closing of European markets, this production has been absorbed by the American countries.

Production of copper increased considerably as the following figures, in thousands of tons, indicate: 1939, 340; 1940, 363; 1941, 468; 1942, 484; 1943, 497; 1944, 498; 1945, 470.

Production of iron, which in 1940 reached 1,748,000 tons, with an average content of 60.7 per cent, has been at

a standstill since 1944, due to lack of transport. In 1945 the total amount mined was 278,000 tons, and this is expected to increase as the necessary freight facilities become available.

Production of gold, in kilograms, is recorded as follows: 1939, 10,247; 1940, 10,663; 1941, 8,206; 1942, 5,816; 1943, 5,404; 1944, 6,342; 1945, 5,584. Of the production in 1945, 2,894 kilograms were from the gold mines, 2,524 kilograms was gold exported as a sub-product of copper and other minerals, and only 167 kilograms came from gold washings. Practically all this gold is exported to Argentina. The free price of gold in Chile fluctuated in 1945 between 50.21 pesos and 42.06 pesos per gram, the average being 46.32 pesos.

Production of coal during the same period, in thousands of tons, was as follows: 1939, 1,850; 1940, 1,938; 1941, 2,060; 1942, 2,150; 1943, 2,265; 1944, 2,279; 1945, 2,049.

Due to labour troubles during 1945, the Government has been obliged to import foreign coal in order to maintain their emergency stocks.

Jamaica

PROPOSED PRODUCTION OF FOOD YEAST

The Canadian Trade Commissioner in Kingston, Jamaica, reports that a plant has been built in Jamaica at an estimated cost of £110,000 for the production of food yeast from blackstrap molasses. At present only small quantities are being produced, but the target of production is set at 2,500 tons annually.

The process is that of fermentation, then separation of yeast from liquid through filter presses, centrifugal machines and finally over drum driers. It is then pulverized and packed in hundredweight waterproof sacks. It is hoped that such bagged yeast may be produced at a cost ex factory of about sixpence (12 cents) per pound.

The factory is being operated by the Colonial Food Yeast Limited, a British Government undertaking sponsored by

the Colonial Office and financed under the Colonial Development and Welfare Act, 1940. The West Indies Sugar Company Limited, on whose property the factory is built, are the managing agents in Jamaica.

Newfoundland

CEILING PRICE ESTABLISHED FOR IMPORTED EGGS

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, reports that, under authority of the Defence (Price of Goods) Regulations, 1941, the Commissioner for Supply of the Newfoundland Government has fixed the maximum retail price of imported eggs (whether sold for cash or on credit) at 82 cents per dozen. This Order came into effect as from April 25, 1946. The ceiling price of locally produced eggs remains as heretofore at 95 cents per dozen.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Export Permit Branch Order No. 142, effective May 7, 1946, Clause 31(a) Sub-section 2 of the Export Permit Regulations is amended by the inclusion therein of the United Kingdom Board of Trade, so that goods ordered, diverted or exported by the latter will be exempted from the requirement of an export permit when shipped from Canada.

Canada-Venezuela

MODUS VIVENDI RENEWED

The commercial *modus vivendi* between Canada and Venezuela, signed at Caracas on March 28, 1941, for one year and renewed annually since then, has been again renewed without modification for a further period of one year, that is to say until April 9, 1947. The *modus vivendi* provides for exchange of most-favoured-nation treatment in tariff matters between the two countries.

New Zealand

IMPORT LICENSING REGULATIONS AMENDED

The New Zealand Customs Department announced recently amendments to the Import Licensing Schedule for the 1946 period, in respect of certain imports, including the following:—

Applications from regular importers will be considered for the importation during 1946 of cotton and rayon piece-goods from Canada and the United States and cotton yarn from the United States.

Licences for imports of matches and vestas from any source during 1946 will be granted to the extent of 75 per cent of the value of imports of such goods from all sources in 1938.

It has been decided to grant licences for the importation from Canada of children's gum boots, sizes 0 to 2 inclusive, to the extent of 33½ per cent of the amounts of licences granted for imports of gum boots, etc. (Tariff Item 197) from Canada in 1944.

Subsequent to the issue of the above importing order, a second allocation has been authorized, and licences under it will be granted up to 33½ per cent of 1944 imports from Canada but confined to imports of youths' and maids' "bright finish" gum boots, sizes 3 to 8 only.

The allocation for the imports of sensitized surfaces and albuminized plain paper, not being postcards or other stationery, from British sources to the extent of 25 per cent of the value of imports in 1938 from foreign sources may be utilized for imports from the same source in 1938.

Licences to import utility types of fur skins, green or sun-dried, from any source may be granted to the value of 1941 imports from all sources. However, imports of the following types will not be admitted: mink, real kolinsky, broadtail, fitches, nutria and beaver, Persian lamb, chinchilla, natural blue fox, ermine, karacul, sables, sealskin, and otter.

Additional licences for imports of paper hangings from the United Kingdom and/or Canada will be granted to the extent of 150 per cent of the value of 1941 imports of similar goods from all sources. The original licensing order for 1946 provided for imports from the United Kingdom or Canada up to 150 per cent of imports from all sources.

Consideration will be given to applications from regular importers and from manufacturers for licences to import cardboard containers.

United States

QUOTA FOR CERTAIN FISH INCREASED

The United States Bureau of Customs announced on May 2 an increase in the tariff-rate quota for the calendar year 1946 on fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, filleted, skinned, boned, sliced or divided into portions and not otherwise specially provided for in the tariff. The Canadian-United States Trade Agreement provides for a reduction in

duty from 2½ cents to 1⅞ cent per pound on an annual quota of 15,000,000 pounds of such fish, with a proviso that, when the average apparent consumption in the United States during the three preceding calendar years exceeds 100,000,000 pounds, the quota may be increased by 15 per cent of the amount by which the average consumption exceeds this figure. In accordance with this proviso, the aforementioned quota which may be imported during the calendar year 1946 at the reduced rate of duty provided for in the trade agreement has been increased from 15,000,000 to 20,380,724 pounds. For the year 1945 the quota was 17,668,311 pounds.

Argentina

NEW EXCHANGE REGULATION FOR BOOKS

Mr. J. C. Depocas, Acting Commercial Secretary, Canadian Legation, Buenos Aires, writes that the Central Bank of Argentina published on April 26, 1946, a new regulation making it easier for importers of books by post to obtain exchange at the preferential rate of 3.73 pesos to the United States dollar. This type of exchange will be granted to firms recognized as regular importers and inscribed as such on the list of importers. Requests for exchange will be submitted to the Central Bank by an accredited broker within forty-five days following the date of the delivery of the books; otherwise, the free rate will apply.

Mexico

DUTY ON CEMENT TEMPORARILY REMOVED

Mr. D. S. Cole, Commercial Counsellor, Canadian Embassy, Mexico City, writes that, under a decree effective April 1, 1946, imports of Roman and Portland cement into Mexico will be free of customs duty until December 31, 1946. On and after January 1, 1947, the former rate of 0.02 peso per gross kilogram (about 20 cents Canadian) per 100 pounds will be reimposed.

POSTAL SERVICES AND RATES

Finland

COMMERCIAL PARCELS ACCEPTED FOR INSURANCE

With reference to a previous notice extending the parcel post service from Canada to certain foreign countries to include commercial parcels, these parcels for Finland may now be accepted for insurance.

Netherlands East Indies

AIR MAIL RATE FOR CORRESPONDENCE

Effective immediately, the air mail rate for correspondence from Canada to the Netherlands East Indies is 50 cents per half-ounce or fraction thereof. No registration service is yet available.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

43. *Honduras*—Sr. Pedro Casanova, Apartado Postal 117, Tegucigalpa, D.C., Republica de Honduras, C.A., has expressed interest in

obtaining representation in Honduras for the following Canadian products: papers of all kinds, paints, building materials (except cement), plate glass, crockery, whiskies, men's hats, silk stockings, and textiles in general. File 20641.

44. *French Morocco* — Société Marocaine d'Expansion Commerciale et Industrielle, 38 Rue Benaich (Case Postale 503), Fès (Maroc), Afrique du Nord, wish to represent Canadian manufacturers of the following: textiles, hosiery, small wares, typewriters, safes, radio sets, electrical appliances and other allied manufactures. File 24456.

45. *Peru*—Distribuidora General S.A., Avenida 28 de Julio 539, Lima, Peru, have expressed interest in obtaining representation in the Peruvian market for the following Canadian products: rayon threads; stationery supplies; chinaware; plastic articles; canned goods; foodstuffs; and cutlery. File 12638.

EXCHANGE CONDITIONS IN BRAZIL

By W. G. SMITH, *Assistant Commercial Secretary at Rio de Janeiro*

Exchange continues to be freely available in Brazil for all legitimate commercial transactions. A summary of the new Exchange Regulations in Brazil, designed to facilitate import and export transactions, guarantee return of profits earned on foreign capital and stipulating the conditions under which foreign capital may be withdrawn from Brazil, was published in *Commercial Intelligence Journal* No. 2199 (March 23, 1946), page 256. The new provisions regarding foreign trade transactions appear to be operating smoothly in practice.

Forms are not yet printed regarding returns on and repatriation of foreign capital. "Capital" is no longer interpreted to mean declared capital but the actual investment in Brazil, including reinvested profits, which removes one source of apprehension on the part of foreign-owned Brazilian enterprises.

However, a subsequent decree has been issued (April 10) controlling profits made by all but the smallest businesses in Brazil. The text of this decree, translated into English, is on file in the Department of Trade and Commerce, Ottawa. For the purpose

of these present notes, however, this decree is important because it is the first real effort to control profits in Brazil and represents a further restriction on the amount of profits which foreign enterprises may expect to obtain from Brazilian investments. This limitation on profits, being on sliding scale, is of particular concern to the larger corporations.

In certain banking circles it is feared that a sharp rise in commercial interest

rates may result from the stipulation that excess profits be lodged in cash or government bonds with the Bank of Brazil, coupled with the present Government's determination not to resort to printing any further substantial amounts of currency.

However, the various new decrees may be regarded as favourable to foreign commercial and financial interests in Brazil, since they represent an effort to stabilize business conditions.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations Apr. 29	Nominal Quotations May 6
Argentina	Peso	Off. .3282	.3282
		Free .2679	.2685
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica)	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa.....	Franc	.0092	.0092
French Empire—African.....	Franc	.0157	.0157
French Pacific possessions.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0049	.0049
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.
J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris. Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.
Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 9, Oslo.
Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.
Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.
Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfracom.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSERT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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UNITED STATES FOREIGN TRADE IN 1945

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian Embassy at Washington*

The foreign trade of the United States in 1945 clearly reflects the changes brought about by the ending of World War II. Exports for the past year showed a decline of one-third from the all-time high reached in 1944, while imports established their first four-billion-dollar year since 1929. There was a considerable change in the composition of trade in 1945 as a result of a heavy decline in Lend-Lease shipments and increases in non-Lend-Lease exports. Military equipment accounted for only 20 per cent of the exports for the year, whereas other manufactures increased to 45 per cent. Foodstuffs, accounting for 18 per cent of the exports, reflected increases in United Nations Relief and Rehabilitation Administration shipments, particularly toward the end of the year.

Although the distribution of imports into the United States for 1945 by economic classes was similar to that for 1936-38, wartime influences had not yet disappeared. Imports of manufactured goods and raw materials from Europe were still lacking. The Western Hemisphere countries still remained the principal sources of supply for raw materials.

Trade with Canada and Great Britain

Statistics of United States trade with the British Empire show that the Empire purchased nearly 50 per cent of United States exports in 1945 as against over 50 per cent in 1944 and one-third in 1939. On the other hand, the Empire supplied nearly 50 per cent of this country's imports in 1945 and 1944 and one-third in 1939.

For 1945, total United States trade with Canada was valued at \$2,305,992,000 as compared with \$2,700,671,000

for the previous year and \$829,059,000 for 1939. United States exports to Canada in 1945 were valued at \$1,178,360,000 as against \$1,440,732,000 in 1944 and \$489,103,000 in 1939, while the value of imports from Canada totalled \$1,127,632,000 in 1945, \$1,259,939,000 in 1944, and \$339,956,000 in 1939.

The total value of United States trade with the United Kingdom amounted to \$2,277,747,000 in 1945 as compared with \$5,327,504,000 in 1944 and \$654,815,000 in 1939. Exports to the United Kingdom in 1945 were valued at \$2,189,333,000 as against \$5,242,984,000 in the previous year and \$505,404,000 in 1939. Lend-lease, of course, accounted for the greatest proportion of this trade in the past two years. United States imports from the United Kingdom for 1945 amounted to \$88,414,000 as compared with \$84,520,000 in 1944 and \$149,411,000 in 1939.

Combined United States exports to Canada and the United Kingdom were valued at \$3,367,693,000 in 1945 and accounted for 34.6 per cent of this country's total exports. On the other hand, the combined value of imports from Canada and the United Kingdom amounted to \$1,216,046,000 and accounted for 29.3 per cent of total United States imports.

Lend-Lease Supplies

During the four and a half years the Lend-Lease program was in operation, the United States exported \$33,000,000,000 worth of merchandise to the Allied Countries. The United Kingdom received 42 per cent of the total; Russia, 29 per cent; Africa and the Near East, 10 per cent; and the Far

East, 12 per cent. These areas received almost 93 per cent of the total, the balance going to the Western Hemisphere countries, including those which Canada obtained through Lend-Lease facilities but paid for.

In 1944 the Lend-Lease shipments were valued at: \$11,305,000,000, of which the United Kingdom received \$5,100,000,000; Russia, \$3,443,000,000; the African area, \$746,000,000; and the Far East, \$1,204,000. For 1945, lend-lease shipments totalled only \$5,562,000,000, distributed as follows: United Kingdom, \$1,894,000,000; Russia, \$1,783,000,000; the Far East, \$843,000,000; and the African area, \$278,000,000.

United States Total Trade

The value of United States exports for 1945 amounted to \$9,805,875,000, a decrease of 31.2 per cent from the all-time high 1944 total of \$14,261,273,000 but 208 per cent over the 1939 total of \$3,177,176,000. General imports into the United States were valued at \$4,135,992,000 as compared with \$3,920,590,000 in 1944, an increase of 5.4 per cent, and with \$2,318,081,000 in 1939, a gain of 78.4 per cent. Total trade for the past year amounted to \$13,941,867,000, a decline of 23.3 per cent from the 1944 total of \$18,181,863,000 but 153 per cent in excess of the 1939 total of \$5,495,257,000. For 1945 the favourable balance of trade, the excess of exports over imports, amounted to \$5,670,000,000 as against \$10,336,000,000 in 1944 and \$859,000,000 in 1939.

Exports

GOLD AND SILVER MOVEMENTS

Exports of gold from the United States for 1945 were valued at \$199,968,000 as compared with \$959,228,000 in 1944 and \$508,000,000 in 1939. On the other hand, imports of gold for 1945 totalled \$93,718,000 as against \$113,836,000 in the previous year and \$3,574,659,000 in 1939.

United States exports of silver followed the same pattern as gold exports

and in 1945 amounted to \$90,937,000, in 1944 to \$126,915,000, and in 1939 to \$14,630,000. Imports of silver for 1945, 1944, and 1939 were valued at \$27,278,000, \$23,373,000 and \$85,307,000 respectively.

PRINCIPAL MARKETS

United States exports to the six grand divisions of the world in 1945 were below those for the corresponding period of 1944 but far in excess of the total value for 1939. During the past year exports to North American countries accounted for 19.8 per cent of the grand total; to Europe, 55.9 per cent; Asia, 8.6 per cent; South America, 6.6 per cent; Africa, 5.3 per cent; and Oceania, 3.6 per cent. The corresponding percentages for 1944 and 1939 were as follows: North America, 14.8 and 25.3; Europe, 65.5 and 40.6; Asia, 6.9 and 17.7; South America, 3.8 and 10.4; Africa, 6.1 and 3.6; and Oceania, 2.9 and 2.5.

Table 1 shows the values of United States exports to various British Empire countries and other principal foreign countries for the years 1939, 1944 and 1945.

The British Empire is the chief market for United States exports, the value of shipments to Empire countries in 1945 amounting to \$4,553,867,000 as compared with \$8,261,273,000 in 1944 and \$3,177,176,000 in 1939.

In 1945 the Latin American countries imported merchandise from the United States to a value of \$1,262,927,000 as against \$2,107,305,000 in 1944 and \$802,639,000 in 1939.

During the past year exports to the United Kingdom and Russia, chiefly Lend-Lease, accounted for 41 per cent of the total as compared with 18 per cent of the peacetime total of \$3,177,176,000 in 1939, and two-thirds of the record-breaking total of \$14,261,273,000 in 1944. Substantially increased values were recorded for 1945 shipments to Czechoslovakia, Poland, Yugoslavia, and Greece, reflecting a large volume of shipments from this country under the United Nations Relief and Rehabilitation program.

TABLE 1

United States Exports to British Empire and Other Principal Countries

	1939	1944	1945
British Empire countries—	\$1,000	\$1,000	\$1,000
United Kingdom	505,404	5,242,984	2,189,333
Canada	489,103	1,440,732	1,178,360
British India	42,811	778,857	491,251
Australia (including New Guinea)	61,554	149,762	313,819
Union of South Africa	69,145	128,847	131,120
New Zealand	16,544	54,737	37,303
British Malaya	9,971	....	1,045
Other Principal countries—			
Mexico	83,177	264,271	308,683
Cuba	81,646	168,118	195,749
Colombia	51,277	60,401	88,209
Venezuela	61,966	87,119	136,720
Chile	26,791	51,768	51,886
Brazil	80,345	218,192	218,611
Argentina	70,945	29,092	38,765
Netherlands	97,417	....	81,797
Belgium and Luxembourg	64,588	....	135,010
France	182,089	17,897	472,331
Switzerland	18,611	79,693	63,507
Italy	58,864	433,392	230,892
Russia	56,638	3,472,969	1,838,282
China	55,614	51,770	91,656
Algeria	2,055	79,746	91,554
Egypt	13,853	492,700	166,020

Greece received \$93,000,000 worth of goods from the United States in 1945 as compared with \$6,000,000 in 1939, and shipments to Yugoslavia were valued at \$90,000,000 as against \$3,000,000 in 1939. Exports to China, Egypt, France, and Belgium also showed a considerable expansion in 1945.

PRINCIPAL UNITED STATES EXPORTS

Total United States exports of domestic merchandise for 1945 amounted to \$9,588,514,000, more than three times the 1939 total of \$3,123,343,000, but 32 per cent below the record high of \$14,162,805,000 in 1944. The decline was principally due to cut-backs in Lend-Lease exports of military equipment and other finished manufactures. The rise in commodity prices contributed considerably to the increase in the value of foreign trade during the war period and to sustaining it at a relatively high level in the final quarter of 1945. The unit value of total exports for 1945 was slightly below that of 1944 but 63 per cent over the unit value for the 1936-38 period. In terms of quantity, total exports for 1945 declined by 31 per cent from the 1944 volume, but were 100 per cent above

the average level for the 1936-38 period.

Table 2 shows the chief United States exports by economic classes and commodities for the years 1939, 1944, and 1945.

Exports of foodstuffs in 1945 accounted for 18 per cent of the value of total exports as compared with 10 per cent in 1939. The gain is attributed to increased shipments, largely UNRRA and Lend-Lease, of wheat and wheat flour, rice, meat products, and dairy products. The total value of crude material exports rose to \$874,574,000 in 1945 from \$553,959,000 in 1944 and \$527,686,000 in 1939 and was a result of increased exports of unmanufactured tobacco and coal. Shipments of unmanufactured cotton increased from \$114,550,000 in 1944 to \$278,678,000. Finished manufactures, at \$6,254,097,000, accounted for 65 per cent of the total domestic exports but were 45 per cent below the 1944 total of \$10,746,058,000, which represented 76 per cent of the total exports for that year. In 1939 the exports of finished manufactures amounted to \$1,666,982,000 and accounted for 53 per cent of the total domestic exports. While exports of military equipment were greatly reduced in 1945, this was

TABLE 2

United States Exports by Principal Commodities

	1939 \$1,000	1944 \$1,000	1945 \$1,000
Crude materials	527,686	553,959	874,574
Cotton, unmanufactured	242,965	114,550	278,678
Tobacco, unmanufactured	77,422	146,440	239,079
Crude foodstuffs	110,757	133,823	431,684
Wheat	36,815	16,305	239,784
Vegetables, fresh and dried	10,601	44,597	72,770
Manufactured foodstuffs	202,453	1,632,569	1,246,056
Meat products	31,732	534,842	289,462
Dairy products	7,093	260,363	236,142
Wheat flour	24,574	59,683	89,559
Semi-manufactures	615,465	1,096,396	782,103
Iron and steel semi-manufactures	169,123	307,426	230,751
Gas and fuel oil	54,405	124,857	83,416
Copper, ingots, billets, plates and rods	91,451	16,572	13,749
Industrial chemicals	36,505	131,409	90,873
Sawed timber, boards and planks	39,314	26,230	28,521
Finished manufactures	1,666,982	10,746,058	6,254,097
Rubber manufactures	36,394	182,379	151,672
Cotton manufactures	56,292	219,779	222,607
Cotton duck and tire fabric	36,549	143,472	145,401
Motor fuel and gasoline	96,997	608,676	465,409
Steel mill manufactures	66,552	243,341	227,181
Iron and steel advanced manufactures	49,842	117,080	114,903
Electrical machinery and apparatus	105,251	431,018	295,982
Industrial machinery	289,896	862,438	706,273
Agricultural machinery	68,507	166,608	163,570
Motor trucks	69,505	404,798	352,582
Airplanes	67,112	1,376,396	663,129
Aircraft engines	14,120	335,081	126,210
Merchant vessels	2,687	252,565	35,308
Medicinal and pharmaceutical preparations	22,317	106,233	115,844

offset by an increase in the latter half of the year for such finished products as cotton manufactures, nylon and rayon manufactures, industrial, electrical and agricultural machinery, and medicinal and pharmaceutical products.

Import Trade

Imports into the United States in 1945 were valued at \$4,135,992,000, and it was the first time since 1929 that a \$4,000,000,000 year had been reached in import trade. The value of imports from the five of the six grand divisions of the world showed increases over the previous year's figure ranging from 4.2 per cent for South America to 33 per cent for South Africa. On the other hand, imports from North American countries recorded a decrease of 6.5 per cent from the 1944 level. As compared with 1939, gains were registered in imports from North America, South America, Oceania, and Africa, while declines were recorded for those from Europe and Asia.

PRINCIPAL SOURCES OF SUPPLY

Table 3 shows the values of United States imports from British Empire countries and other principal foreign countries for the years 1939, 1944, and 1945.

The British Empire is the chief source of supply for United States imports, and in 1945 the total value of merchandise received therefrom amounted to \$1,859,959,000 as compared with \$1,859,175,000 in 1944 and \$827,583,000 in 1939. The Latin American Republics are next in importance as sources of supply, and in 1945 they accounted for \$1,623,264,000 as against \$1,593,900,000 in 1944 and \$517,556,000 in 1939. Together the British Empire and the Latin American Republics supplied 85 per cent of the 1945 total as compared with 59 per cent of the (1939) pre-war imports.

During this period, shipments from Europe, Asia and Africa showed substantial reductions, but these were partially offset by expanded imports

in 1945 from Switzerland, for which there was an increase from \$31,000,000 in 1939 to \$83,000,000 in 1945; Russia, from \$25,000,000 to \$54,000,00; Spain, from \$10,000,000 to \$57,000,000; Turkey, from \$20,000,000 to \$70,000,000; and the Belgian Congo, from \$2,000,000 to \$49,000,000.

than the 1939 pre-war level of \$2,276,-099,000. Increases were recorded for practically all items.

The unit value of imports showed an increase of 3 per cent over the 1944 figure and 55 per cent over values for the pre-war years. In terms of quantity the 1945 imports gained 2 per cent over

TABLE 3

United States Imports from British Empire and Other Principal Countries

	1939 \$1,000	1944 \$1,000	1945 \$1,000
British Empire countries—			
United Kingdom	149,411	84,520	88,414
Canada	339,956	1,259,939	1,127,632
British India	64,401	144,891	173,157
Australia (including New Guinea)	14,882	98,531	126,215
Union of South Africa	28,721	88,953	103,830
New Zealand	11,214	20,314	33,738
British Malaya	148,967	....	5,724
Other Principal countries—			
Mexico	58,266	204,405	230,620
Cuba	104,930	386,962	337,642
Colombia	48,983	104,720	102,847
Venezuela	23,613	54,363	86,665
Chile	40,562	153,583	137,119
Brazil	107,250	292,785	311,250
Argentina	61,914	176,958	170,035
Switzerland	30,615	56,081	83,437
Russia	25,023	49,698	53,793
Turkey	19,836	50,752	69,947
Belgian Congo	1,582	42,678	48,675

PRINCIPAL IMPORTS

United States imports for consumption in 1945 were valued at \$4,074,-829,000, the highest since 1929, and were 5 per cent above the 1944 total of \$3,879,037,000 and 80 per cent higher

than the previous year's and 7 per cent over the 1936-38 average.

Table 4 shows the chief imports into the United States by classes and commodities for the years 1939, 1944 and 1945.

TABLE 4

United States Imports by Principal Commodities

	1939 \$1,000	1944 \$1,000	1945 \$1,000
Crude materials	744,860	1,069,495	1,164,067
Undressed furs	49,759	121,198	139,651
Tobacco, unmanufactured	36,918	60,287	75,321
Diamonds, uncut	7,956	43,445	43,128
Crude foodstuffs	290,839	841,407	693,137
Coffee	139,546	325,938	345,749
Cocoa or cacao beans	27,613	46,063	45,898
Manufactured foodstuffs	313,336	520,940	461,524
Cane sugar	124,649	212,333	201,542
Whisky	48,285	89,104	53,025
Meat products	27,312	31,893	29,175
Semi-manufactures	486,766	706,094	928,434
Sawed boards and lumber	19,204	50,318	56,028
Wood-pulp	75,892	72,321	115,580
Diamonds, cut	27,417	29,263	64,162
Finished manufactures	440,297	741,102	827,668
Newsprint paper	115,716	135,242	150,816
Machinery and vehicles	15,095	161,256	121,474
Wool manufactures	18,555	11,248	18,711
Cotton manufactures	37,565	9,630	33,475

The value of imports of crude materials, at \$1,164,067,000, in 1945 was 8 per cent over the 1944 total of \$1,069,495,000 and 56 per cent over the 1939 figure. Substantial gains in this group were recorded for undressed furs and unmanufactured tobacco. The import value of crude foodstuffs for 1945 was below that of 1944 but still well in excess of the 1939 total of \$290,839,000. The principal item in this group was coffee, imports of which in 1945 were valued at \$345,749,000 as compared with \$325,938,000 for the previous year and \$139,546,000 for 1939.

Manufactured foodstuffs, valued at \$461,524,000, were about \$60,000,000 under the 1944 import value but \$148,000,000 in excess of the 1939 total. The principal commodity in this group was sugar, which showed a small decline from the 1944 value but was double that for 1939. Whisky and meat

products were also below the 1944 values but above those for 1939. Imports of semi-manufactures amounted to \$928,434,000 as against \$706,094,000 in 1944 and \$486,766,000 in 1939. Lumber, wood-pulp, and cut diamonds were the principal commodities in this group, and all showed substantial increases in value for 1945. The value of imports of finished manufactures was \$827,668,000 as compared with \$741,102,000 for 1944 and \$440,297,000 for 1939. Newsprint paper, valued at \$150,816,000 in 1945, showed a substantial increase over both the 1939 and 1944 import values. Imports of wool manufactures, at \$18,711,000, were well above the previous year's figure but about the same as the 1939 value. Machinery and vehicles also showed a decline from the 1944 value but were eight times greater than the 1939 figure of \$15,095,000.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will shortly open a new office at Leopoldville, Belgian Congo; Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales); and Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and South-West Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola).

Their itineraries as at present arranged are as follows:—

Mr. Allen

Vancouver and Victoria—May 20 to 22.
Calgary—June 3 and 4.
Edmonton—June 5.

Mr. Ausman

Montreal—May 20 to June 4.
(Quebec City—June 1.)
Brockville—June 4 and 5.
Toronto—June 6 to 22.
(Oshawa—June 8.)

Mr. Vechsler

Montreal and district—May 20 to 22.
Quebec City and district—May 23.
Hamilton and district—May 28 to 30.
Brantford—May 31.
Kitchener and district—June 3 to 5.
Windsor—June 6 and 7.
Toronto—June 10 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Montreal, with the Montreal Board of Trade; for Vancouver, Edmonton and Toronto, with the office of the Canadian Manufacturers' Association; for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

WORLD POSITION AND EXPORT MARKETS FOR COPPER

Prepared in the Export Division, Foreign Trade Service

During the latter stages of the war, when it was quite apparent the Allies would be victorious, much concern was felt over the prospects of marketing in the postwar era Canada's production of copper, which in the preceding six years had risen to an all-time high. These fears were by no means groundless, as 70 per cent of this country's production was being exported under contract to the United Kingdom for war purposes, and all such shipments would be discontinued shortly after the cessation of hostilities. The United States, however, provided some measure of relief in this difficult transition period by taking Canada's surplus production for the remainder of 1945, to be used for reconversion purposes and to accumulate government stock piles.

Supply and Demand

It is noteworthy that within six months of the development of an oversupply position at the close of the war, Canadian producers were faced with the problem of trying to satisfy abnormally large export demands from greatly curtailed production. Copper production, which had risen during the war to approximately 278,000 tons in 1941, and to 227,000 tons for 1945, dropped off suddenly to an estimated 160,000 tons for 1946, or to a level no higher than that reached in the early thirties. This situation is principally the result of a sharp decrease in production from copper-nickel deposits in Ontario, which normally account for 50 per cent of Canadian output, due to the relatively small demand for nickel by peacetime industry and to the fact that overly large stocks of this metal are already on hand. In addition, other primary producers are obliged to curtail production on account of the lack of skilled labour to maintain operations at the desired level and to conduct as well a very necessary development program which, during the past few years, has

been neglected at the expense of increased war production.

As industry throughout the world gradually reconverted to a peacetime basis, the demand for copper soon far exceeded the capacity of smelters to supply, and a world shortage of the metal has developed. At the present rate of consumption, the domestic market will require 70,000 tons of copper this year, while a considerable portion of Canadian surplus supplies will be delivered to the United Kingdom. At first it appeared likely that the British Ministry would purchase the bulk of its requirements in South Africa and the Rhodesias, in keeping with their austerity program; however, lack of fuel and skilled labour gave no assurance of a continuity of supply. For the first six months of this year the United Kingdom will receive from Canada approximately 33,000 tons of copper in primary forms, and has requested a much greater tonnage for the second half. The remainder of Canada's surplus will go to UNRRA and to France, the Netherlands and other devastated areas which are badly in need of supplies of all non-ferrous metals for the re-establishment of their industries. Included also in this tonnage is metal for the retention of old contacts in other parts of the world. Articles to be fabricated from the raw material will not only be of incalculable assistance to European countries in their reconversion program, but will also provide these nations with the means whereby products can be manufactured for their export markets. Currency acquired from such transactions will permit of greater purchases to be made in Canada and other producing areas.

The excessive demand for copper in this period is the natural outcome of a virtual starvation of peacetime industry and of little or no replacements being available during the six years of hostilities. This condition is by no means confined to the Western World,

being in fact much more prevalent in Europe and Asia, where widespread destruction of industry has occurred. In addition to the destruction of industries consuming copper, many of the mines, smelters and refineries which have not been looted of their machinery have been so badly crippled that large-scale building and replacement will be necessary before production can even approach the pre-war level. This condition has been rendered more serious by the extreme shortage of coal and the lack of efficient workers, the most of whom are suffering from undernourishment and war fatigue.

Obviously with the present abnormal demand for all forms of copper, it is doubtful whether the world-wide shortage can be remedied for several years. Protracted strikes in the copper industry in the United States have cut production of primary copper by 70 to 80 per cent, and the Civilian Production Administration has found it necessary to appeal to producers to ration supplies. Although this situation is not regarded as serious, due to availability of United States Government stocks, it has resulted in heavier demands on exporting areas and the diversion of much needed copper from devastated areas. Similarly strikes in Canada at several plants manufacturing copper products have reduced the supply of material for export markets.

Producing Countries

The principal exporting areas are Latin America, with Chile the main producer; Africa, where production is confined largely to the Rhodesias, and the Union of South Africa and Canada. Even in normal times, Europe was never in a position to meet its requirements of primary copper and is undoubtedly the greatest world importer of this metal. Other importing areas are Asiatic countries and, in recent years, the United States. Much of the United States copper is produced at high cost, but the industry is fairly well protected against foreign competition by a duty of at least 4 cents a pound

on copper content, which is imposed in normal times on all imports of this metal.

Exports from Canada

For the years 1937 to 1939 inclusive, the period of most uniform production in Canada, the average annual value of exports of copper in all forms was approximately \$54,000,000. Of this, the United Kingdom accounted for 57 per cent and the United States for 14 per cent. Other countries, in order of their importance, purchasing to a value of over \$1,000,000 were: Germany, Japan, France, the Netherlands, Sweden, Czechoslovakia, and, in one year, Norway.

By far the greater demand for Canadian copper was for the metal in the primary forms, such as ingots, bars, cakes, slabs and billets, accounting for 67 per cent of the total value of exports. Of the exports in forms, 71 per cent went to the United Kingdom, most of the remainder being purchased by Germany, France, Sweden, Czechoslovakia, Poland, the Netherlands, Belgium, India, and Brazil. Approximately 15 per cent was exported as concentrates and matte, the United States, Japan, Norway, and the Netherlands being the principal purchasers. Next in importance were rods, strips, sheets, plates and tubing, which approximated 12 per cent of total exports. The United Kingdom took 69 per cent in these forms, while the Netherlands, Switzerland, Belgium, Latvia, New Zealand, Brazil, and Australia were also important purchasers. The United States was the only country to import blister copper, which accounted for 4.5 per cent of total exports. Less than 1 per cent of copper exports was sold abroad in the form of insulated cable and wire, Mexico taking 25 per cent of these shipments and most of the remainder going to Newfoundland, Colombia, the Philippines, China, Peru, Argentina, Chile, Australia, and New Zealand. In 1939 the United Kingdom bought 40 per cent of these items; however, purchases by that country were almost negligible in preceding years.

Competitive Supplies

From an analysis of export figures it is apparent that the greater proportion of Canada's export markets for copper are in Europe. These traditional markets, as already pointed out, are taking the bulk of Canadian surplus production and probably will continue to do so in the future. Keen competition may, of course, be expected from Chile, the Rhodesias and the Union of South Africa, which in the past have been important exporters to European countries.

Although Canada is expected to continue to enjoy a good market abroad, particularly in Europe, neither Germany nor Japan will be as large importers as in the past; for the period under review their purchases approximated 15 per cent of total exports. Any curtailment of Germany's exports will open up new markets for fabricated items, since that country's trade in such products was fairly substantial.

The most important world sources of copper are unquestionably the Latin American countries; however, the majority of these are not sufficiently industrialized to satisfy their requirements in manufactured articles of copper and its alloys. During the past few years they have become creditor nations and have shown a keen interest in the prospects of trading with Canada. Canadian firms in a position to offer commodities competitive in price and quality with those of other suppliers are afforded an excellent opportunity to take advantage of the market possibilities of this field.

The facilities of the Department of Trade and Commerce are at the disposal of Canadian manufacturers and exporters who are invited to consult its officials, both at home and abroad, concerning problems that may arise in connection with their entry, or re-entry, into export trade.

UNITED STATES CEILING PRICES FOR WOOD-PULP REVISED

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian Embassy at Washington*

The Office of Price Administration has issued Amendment 5 to Revised Maximum Price Regulation 114 (Wood-pulp) effective April 22, 1946, increasing producers' ceiling prices for this product by about 10 per cent. For standard grades the ceiling increases range from \$3 to \$9 per ton, and for some special grades the increases are from \$4 to \$12.50 per ton. The amendment also reduces by amounts ranging from \$1 to \$3 per ton the maximum transportation charges that sellers are required to absorb. The

purpose of the amendment is to help stimulate production and ensure to essential buyers of wood-pulp their minimum requirements during the coming year.

CEILING PRICES

The price increases apply to pulp produced and sold in the United States or imported into the United States from foreign areas. The amounts of the increases per short air-dry ton for the dollar-and-cents prices specified in the regulations are as shown in Table 1.

TABLE 1

Increases Per Short Air-dry Ton

Bleached sulphite (softwood and hardwood)	\$8 00
Unbleached sulphite (softwood and hardwood)	8 00
Soda pulp (bleached and unbleached)	8 00
Northern bleached sulphate	8 00
Southern bleached sulphate	9 00
Northern unbleached sulphate	3 00
Southern unbleached sulphate	6 00
Groundwood	8 00

Maximum prices on certain special qualities, screening and side-runs of these types of pulp are altered proportionately.

TRANSPORTATION ALLOWANCES
The delivered-price basing system is continued for all sellers of wood-pulp, both foreign and domestic, but the

TABLE 2

Maximum Ceiling Prices Per Short Air-dry Ton

Bleached softwood sulphite	\$94 00
Unbleached softwood sulphite	82 00
Bleached hardwood sulphite	91 50
Unbleached hardwood sulphite	79 50
Northern bleached sulphate	94 00
Southern bleached sulphate	88 00
Northern semi-bleached sulphate	89 00
Southern semi-bleached sulphate	83 00
Northern unbleached sulphate	76 00
Southern unbleached sulphate	69 50
Bleached soda pulp	84 00
Unbleached soda pulp	80 00
Groundwood pulp	58 00
Groundwood pulp, paper, machine-dried	61 00
Sulphite screenings	45 50
Sulphate screenings	40 00
Groundwood screenings	34 00
Northern unbleached sulphate side-runs	76 00
Southern unbleached sulphate side-runs	69 50
Standard newsprint side-runs	58 00

Table 2 indicates the maximum ceiling prices of wood-pulp per short air-dry ton, delivered to the consuming mill in the continental United States, including the basic maximum transportation allowances.

maximum amounts of transportation charges payable by sellers are reduced by \$1 to \$3 per short air-dry ton.

Table 3 indicates the revised basic transportation allowances from areas

TABLE 3

Revised Basic Transportation Allowances

	Applying to Foreign Producers of Wood-pulp		
	Below 50% Air-dry Wt. Per Ton	50% to 80% Air-dry Wt. Per Ton	Above 80% Air-dry Wt. Per Ton
Foreign Production Areas—			
Canada, east of the Continental Divide.....	\$12 50	\$10 50	\$7 50
Canada, west of the Continental Divide (applying only to wood-pulp sold east of the Continental Divide)	15 50	14 50	12 50
Canada, west of the Continental Divide (applying only to wood-pulp sold west of the Continental Divide)	9 50	8 50	6 50
Other foreign areas (applying only to North American inland freight) .....	....	6 00	4 00
	Applying to Domestic Producers of Wood-pulp		
	Below 50% Air-dry Wt. Per Ton	50 to 80% Air-dry Wt. Per Ton	Above 80% Air-dry Wt. Per Ton
Domestic Production Areas—			
Northeast	\$12 50	\$10 50	\$7 50
Lake Central	12 50	10 50	7 50
Southern	15 00	13 00	10 00
West Coast (applying only to wood-pulp sold outside this area)	15 50	14 50	12 50
West Coast (applying only to wood-pulp sold in this area)	9 50	8 50	6 50

of production of foreign and domestic pulpwood.

The reduced maximum transportation charges that the sellers will be required to absorb will increase prices for consuming mills located at the greatest distance from the source of supply. However, the measure will help such consumers located closer to producing areas. The extra freight charges for such distant consumers are in line with upcharges paid during normal pre-war years.

EFFECT OF INCREASES

It is estimated that, as a result of the new increases in prices for wood-pulp, the additional annual return to producers, both foreign and domestic, will be between \$17,000,000 and \$19,000,000. The new amendment will reduce the aggregate amount of subsidy payments which would otherwise be required in the immediate future. Not only will the average payment per ton of subsidized wood-pulp be reduced substantially, but the inclusion of additional domestic producers in the program will be avoided.

REVISED REGULATIONS RESPECTING TRADING WITH THE ENEMY

Notice *re* Roumania, Bulgaria and Hungary

Under date May 8, 1946, the Secretary of State of Canada, under and by virtue of the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), gives notice that, subject as hereinafter mentioned, trade may be resumed with persons residing in Roumania, Bulgaria and Hungary, and this notice shall constitute the permission of the Secretary of State to reopen trade with persons residing in the said territories. Any person who engages in such trade shall not be deemed to be trading with the enemy, but such persons are advised that, owing to the shortage of shipping

and foreign exchange and to communication problems, difficulties may be encountered.

The permission hereby given shall apply only to transactions entered into after the date of this notice; and any property which shall have vested in the Secretary of State, acting in his capacity as Custodian, under and by virtue of any regulations respecting trading with the enemy, shall continue to be so vested, notwithstanding the permission hereby given, and the property shall continue under his control until it is expressly released under the provisions of the Revised Regulations Respecting Trading with the Enemy (1943).

TRADE AND ECONOMIC CONDITIONS IN GUATEMALA IN 1945

By C. B. SMITH, *Office of the Commercial Counsellor, Canadian Embassy at Mexico City.*

(The quetzal is at par with the United States dollar; one quintal equals 101.40 pounds)

In 1945 Canada took more Guatemalan exports than any other country except the United States, but was sixth on the list of suppliers to this, the largest of the Central American republics. Despite a reduction of nearly 7,000,000 quetzales in value of exports, Guatemala maintained her customary favourable balance of trade, which

amounted last year to 7,087,004 quetzales.

Exports and Imports

The value of Guatemala's foreign trade increased from 44,500,000 quetzales in 1944 to 53,800,000 quetzales in 1945. Exports were worth 30,400,000 quetzales as compared with 23,800,000

quetzales in 1944. The value of imports increased from 20,700,000 quetzales in 1944 to 23,400,000 last year.

Of the total value of exports, the United States is credited with purchases worth 27,600,000 quetzales, or 90 per cent of the total. Imports included goods to the value of 15,700,000 quetzales, or 65 per cent of the total, from the United States, and 3,419,000 quetzales from Mexico. Customs revenues rose to 6,600,000 quetzales as compared with 5,900,000 quetzales in 1944.

Guatemala's main exports were bananas, chicle, timber, essential oils, honey, broomroot, meats, and native textiles, apart from the staple coffee crop, which for 1944-45 was better than average, yielding about 1,250,000 quintals.

Table 1 shows Guatemalan imports and exports in 1945 by principal countries.

TABLE 1

Guatemalan Exports and Imports by Principal Countries in 1945

	Imports Values c.i.f.	Exports Values f.o.b.
Canada	356,600	808,771
Argentina	345,456	55
Aruba, Dutch Antilles...	684,435	....
Brazil	122,472	280
British Honduras	5,385	92,921
British Guiana .....	....	7,885
British Indies	190,087	....
Chile	195,692	21,058
Colombia	9,106	727
Costa Rica	18,228	93,887
Cuba	55,105	27,967
Curacao, Dutch Antilles	242,442	948
Dutch Guiana .....	....	6,446
Ecuador	16,017	40
El Salvador	383,824	140,132
England	233,291	137,831
Honduras	105,253	30,379
Mexico	3,419,028	352,691
Nicaragua	5,790	30,225
Panama	1,954	375,078
Peru	682,063	3,052
Portugal	19,681	....
Scotland	159,898	....
Spain	83,051	....
Sweden	31,068	5,638
Switzerland	90,439	656,713
Trinidad Island .....	....	39,373
United States	15,744,475	27,596,273
Uruguay	113,343	4
Venezuela	11,253	1,100

COFFEE

There was no alteration in the United States ceiling prices on coffee, which ranged from 14½ cents to 16¾ cents per

pound ex United States dock, less 2 per cent. There was a ready market for both export and non-export qualities. Coffee exports to the United States totalled 998,159 quintals; to Canada, 54,365 quintals; to Switzerland, 17,498 quintals; and to other countries, 45,224 quintals. Operations in the coffee market were profitable despite increased production costs. The ordinary export tax of 1.52 quetzal per quintal was unchanged.

Coffee quotas have been abolished as of October 1, 1945, and, as is known, coffee-producing countries in Latin America, in accordance with the resolution of the Pan American Coffee Conference, held in Mexico last September, are still pressing for the abolition of ceiling prices in the United States. Any considerable increase in price may prove a mixed blessing in Guatemala in view of the possible inflationary tendency. Coffee-growers in Guatemala can still make a fair profit at the present United States prices, even if, as is probable, costs of production increase still further. The 1945-46 crop will be an average one, and the export market shows every sign of remaining stable.

BANANAS

Shipments of bananas increased sharply in the last quarter of the year, and the demand for export was strong enough to enable independent growers to ship large quantities of fruit, not acceptable to the United Fruit Company, to southern ports of the United States. Banana exports will continue to increase to meet the demand in the post-war civilian markets, and the chicle exporters have not anticipated any fall in demand. Of all the main export items listed in the year's returns, only timber may show a falling-off during 1946.

Trade with Canada

The balance of trade between Guatemala and Canada, especially since 1942, has been so favourable to the Central American republic that there would seem to be every opportunity

in this market for Canadian manufacturers who are in a position to offer early deliveries. Among countries exporting to Guatemala in 1945, Canada ranked after the United States, the Dutch West Indies, El Salvador, Mexico and Peru. Imports from Canada into this country have remained more or less stationary for several years at a value of about \$300,000, one-sixth of the value of Guatemalan exports to Canada during the period 1942-44, as shown in Table 2.

TABLE 2

Guatemalan Trade with Canada

	Imports from Canada Canadian Dollars	Exports to Canada Dollars
1940	203,705	59,011
1941	248,675	607,840
1942	243,146	1,098,308
1943	242,308	1,070,047
1944	348,615	2,692,928
1945	356,600	808,771

Guatemalan inventories and stocks are currently well below pre-war levels. The finances of merchants, industrialists, and agriculturalists generally are sound and there is therefore a large and immediate demand for all types of capital and consumer goods.

Financial Conditions

Industrial, commercial and agricultural profits were good during 1945, and the demand for credit was limited. There was a surplus of dollar exchange offering during most of the year. Bank finances appeared to be sound. Private deposits were expanding and government deposits were lower than in previous years.

BUDGET PROVISIONS

The budget for the fiscal year ending June 30, 1946, was authorized for a total of 25,412,216 quetzales, a much higher sum than in any previous year. Authorized ordinary expenditure is 24,294,577 quetzales, and extraordinary expenditure 1,117,639 quetzales. The latter sum is to provide in part for work on the Pan American Highway and the Roosevelt Hospital.

The sum of 1,757,321 quetzales, representing the balance of the sterling debt, "was erased from the liabilities of the Republic" by a decree dated September 25, 1945, but evidently was taken into the 1945-46 budget and reallocated.

The public debt rose during the fiscal year July 1, 1944, to June 30, 1945, to the total of 6,026,264.59 quetzales, the external debt totalling 3,089,054.94 quetzales and the internal debt 2,937,209.65 quetzales.

Government spending has increased and budgets in the coming years, in order to be balanced, presumably will call for increased taxation. As against government revenue and expenditure during the fiscal year 1943-44 of 16,800,000 quetzales and 14,800,000 quetzales respectively, the corresponding figures for the year 1944-45 were 16,000,000 quetzales and 17,900,000 quetzales. The difference of nearly 1,000,000 quetzales reflects increased spending under the new regime and, as stated previously, the budget for the current fiscal year is a record one of 25,400,000 quetzales.

New Legislation

New labour laws proposed under the new Constitution have not yet been promulgated. In order to curb labour unrest, the Government has temporarily prohibited the formation of new labour unions and has outlawed strikes until such time as revised labour legislation has been approved.

It is the intention of the Arévalo Government to create a new Central Bank under the provisions of the Ley Monetaria and the Ley Organica del Banco de Guatemala, in order to develop essential credit necessary for promoting the agricultural, industrial, and commercial expansion of the country, which is a primary objective of the new Government. Decrees embodying changes in the monetary and banking laws, issued in March, 1945, have been shelved for the time being, and experts on loan from the United States Government are now preparing modified recommendations, on the

basis of which the Government will present concrete proposals to the National Assembly.

New Industries

There are some signs of development of local industry. Plans have been made public for a paper and cardboard factory to use pulp from the local sugar mills and essential oil plants. A new cigarette and match factory is being promoted, also a plant for making motor fuel from sugar cane. On the other hand, the Cia. Guatemalteca Incatecu, which manufactures footwear and rubber goods, intends to abandon the making of motor tires as soon as these again become plentiful on the world market.

Towards the end of 1945 an agricultural colony was founded at Poptún, in the Peten area, as the first move in a campaign to develop the resources of that region, which is a primary source of chicle. In November, 1945, the Minister of Finance proposed that legislation be enacted expropriating

and nationalizing the chief Guatemalan ports and revising the contracts of the three leading foreign companies—International Railways of Central America; the Empresa Eléctrica de Guatemala, S. A.; and the Cía. Agrícola de Guatemala, which is a subsidiary of the United Fruit Company.

Future Trends

Although the market in Guatemala naturally will be influenced by world conditions, it will remain for some time a seller's market, in which manufacturers able to guarantee early deliveries will enjoy a particular advantage. It may be expected also that purchasing power and the volume of foreign trade will continue to increase as a result of small-scale industrialization and government plans to develop further the natural resources of the country. Local interest in Canada has been sharpened by the recent visit of a mission headed by the Honourable James A. MacKinnon, Minister of Trade and Commerce.

ECONOMIC, TRADE AND PRODUCTION NOTES

Egypt

SUPPLY OF HARD CURRENCY

The Canadian Trade Commissioner in Cairo, Egypt, confirms that the Anglo-Egyptian Exchange Agreement has been renewed for a period of one year from April 1, 1946. The terms are similar to those of the original agreement, except that the right is reserved to terminate it if the Anglo-American Financial Agreement of December 6, 1945, is not ratified. In such an event, one month's notice must be given.

The allocation of hard currency is the equivalent of £E.12,000,000, made up of £E.9,550,000 "visible" currency and £E.2,450,000 "invisible" currency. The Egyptian authorities have undertaken not to allocate, during each month beginning April 1, 1946, more than £E.875,416 of "visible" currency and £E.204,166 of "invisible" currency. Notwithstanding this stipulation, the

Egyptian Government will be allowed, during April, 1946, to allocate an amount of hard currency which may exceed the amounts specified above, provided the aggregate allocation for the two months of April and May, 1946, shall not exceed twice the amounts specified. If the Anglo-American financial agreement is ratified, the restrictions on monthly allocations would be abolished.

Sweden

ECONOMIC DEVELOPMENT

Economic development in Sweden is still, on the whole, favourable. The transition to peacetime conditions is proceeding step by step, although hampered by the scarcity of important raw materials and by an acute shortage of manpower. Foreign trade has continued to expand and, as far as shipping is concerned, conditions have become much easier.

The strong trend towards increasing liquidity that has characterized the money market in recent years was sharply reversed during the first months of 1946. This was due to various factors, such as the increased credit demands of foreign trade, heavy government borrowing in January, and tax collections in February. In order to meet the considerably increased demand for loans, the commercial banks have had to dispose of part of their holdings of Treasury bills.

United Kingdom

PROPOSED BRITISH INSTITUTE OF MANAGEMENT

A plan for the establishment of a British Institute of Management has recently been approved by Sir Stafford Cripps, President of the Board of Trade. A committee presided over by Sir Clive Baillieu, President of the Federation of British Industries, was appointed last November to formulate detailed proposals for setting up a central institution for all questions connected with management. The general recommendations of this committee, which has now presented its report, have received the full support of the President of the Board of Trade.

The committee recommends the setting up of a British Institute of Management, which should aim at establishing itself as a professional body. Its functions would be to provide a centre for the study of management, to carry out research and disseminate information on the subject of management, to encourage and advise on schemes of training in management, and generally to take all possible steps to assist in raising the standards of management in the United Kingdom.

Sir Stafford Cripps, in expressing his full agreement with the general recommendations, stated that he hoped soon to announce the names of the chairman and members of the first council. Later, it is intended that representatives will be elected. The Chancellor of the Exchequer has agreed that, to ensure a favourable start for

the institute, contributions from members and from industry shall, as necessary, be supplemented by an initial grant not to exceed £150,000 over five years. This government grant is to be provided from public funds to be voted by Parliament year by year. Subsequently the institute will have to be self-supporting.

NEW TRACTORS DEVELOPED

As a result of the concentrated attention given during the war to the manufacture and performance of track vehicles, particularly transmission and gearing, a team of designers in Great Britain has now developed a new farm tractor incorporating the experience gained in building tanks and other army vehicles. It is a medium-powered wheeled or caterpillar tractor, adaptable to large and small farming operations, and is provided with a wide range of optional implements. It has alternative wheelbases, adjustable wheel-track centres, high ground clearance, and is convertible to caterpillar drive by a comparatively simple operation which can be performed in the field. The design has been completed after intensive study of British Empire requirements, and plans have been made for production by a large British company.

United States

WINTER WHEAT CROP FORECAST

Mr. W. D. Wallace, Assistant Commercial Secretary, Canadian Embassy at Washington, reports that the United States Department of Agriculture has announced that, on the basis of April 1 crop conditions, it is expected that the winter wheat crop will amount to 830,636,000 bushels. This will be about one per cent above last year's record crop of 823,177,000 bushels and 18 per cent over the ten-year (1935-44) average winter-wheat crop of 618,019,000 bushels. Stocks of wheat from previous crops remaining on farms at April 1, 1946, were reported at 203,991,000 bushels and represented 18.2 per cent of the record 1945 crop harvested.

TRADE REGULATIONS AND TARIFF CHANGES

Ceylon

IMPORT CONTROL RELAXED

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, writes under date April 29, that, under a recent alteration in import control regulations, the Government of Ceylon will issue import licences on a quantitative basis to import from Canada up to the average pre-war level all commodities (other than food and drink

and motor lorries) which were imported from Canada before the war.

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Order in Council P.C. 1782 of May 7, 1946, effective May 8, 1946, the payment of a \$2 fee will no longer be required for any export permit issued by or on behalf of the Department of Trade and Commerce.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

46. *Eire*—O'Dowd Brothers, Commercial Buildings, Dame Street, Dublin, importers and manufacturers' representatives, are desirous of purchasing automotive accessories of all kinds and of establishing contact with Canadian exporters. File 36363.

47. *Chile*—Cassorla, Fernandez & Cia. Ltda., Casilla 2023, Santiago, have expressed interest in securing representation in the Chilean market for Canadian exporters or manufacturers of the following products: newsprint, refrigerators, electrical appliances, and air-conditioning equipment. File C.E. 220.

48. *Chile*—Ferro-Electric Ltda., Ave. B. O'Higgins 379, Santiago, have expressed interest in the representation of Canadian manufacturers of the following articles: tools for mechanics, carpenters, etc.; agricultural tools; garden tools; and automobile accessories. File C.E. 225.

49. *Chile*—Cia. Aeronautica Chilean Ltda., Casilla 13197, Santiago, have expressed interest in securing the representation for Canadian manufacturers of aeroplanes and accessories and electrical appliances. File C.E. 219.

50. *Chile*—Alfredo E. Gary, Casilla 494, Iquique, has expressed interest in securing representation for Canadian manufacturers or exporters of the following products: radio receiving sets, refrigerators, electric fans, sewing-machines, automobile batteries, spark plugs, marine motors and cotton fabrics. File C.E. 223.

51. *Chile*—Ossa & Max, Casilla 9820, Santiago, have expressed interest in securing the representation in the Chilean market for the following products: automobile batteries, electric ventilators, generators, electric motors, electric irons, refrigerators, electric stoves, washing-machines, and air compressors. File C.E. 233.

52. *Chile*—Alfredo Calvo Castro, Casilla 482, Valparaiso, has expressed interest in securing the representation in the Chilean market for Canadian suppliers of the following products: fishing tackle, hardware, lastex, and spare parts for textile machinery. File C.E. 218.

53. *Chile*—Pedro Pruna & Cia. Ltda., Casilla 9169, Santiago, have expressed interest in securing the representation of Canadian manufacturers and exporters of the following products: waterproof poplins for the manufacture of ski suits, sleeping bags, etc.; metal ski bindings; steel ski poles; all ski accessories; fishing tackle; hickory, maple and ash wood for manufacturing skis (boards of 7½ feet long, 8 inches wide, and 1½ inch thick). File C.E. 224.

54. *Chile*—Juan Errazuriz Quesney, Casilla 8020, Santiago, has expressed interest in obtaining representations for Canadian manufacturers of the following products: artificial leather, table oilcloths, mats and carpets, cutlery and tableware, and plastic manufactures for personal and domestic use. File C.E. 235.

55. *Chile*—Vasquez & Cia. Ltda., Casilla 428, Punta Arenas, have expressed interest

in securing the representation in the Chilean market for Canadian exporters of the following products: wallpaper; wrapping paper; toilet paper; printing paper; yarns and fabrics of all kinds; men's, women's and children's clothing; knitted goods; wool, silk and artificial silk fabrics; canned lobster; hand tools for mechanics, carpenters, gardeners, etc.; locks (low-priced); stoves (heaters); shoes and other articles made of rubber. File C.E. 221.

56. *Costa Rica and Central American Countries*—Agencias Capaca, Head Office, Apartado 69, San Jose, Costa Rica, are in-

terested in securing representation for Costa Rica and Central American countries for Canadian suppliers of the following: ladies' apparel; shoe leather, footwear and shoe-makers' tools and accessories; carpenters' tools; enamelware and kitchenware; doctors' and dentists' instruments; sanitary articles; tailors' supplies; galvanized material of all kinds; electrical supplies; radio accessories; stationery; shoe polish; tires for cars and trucks; road-building equipment; building materials; photographic materials; dyes for textiles; hand-weaving equipment; and locks of the Yale type. File C.E. 164.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations May 6	Nominal Quotations May 13
Argentina	Peso	Off.	.3282	.3282
Australia	Pound	Free	.2685	.2685
Belgium and Belgian Empire.....	Franc	....	3.5520	3.5520
Bolivia	Boliviano	....	.0251	.0251
British West Indies (except Jamaica).	Dollar	....	.0262	.0262
Brazil	Cruzeiro	....	.9250	.9250
		Off.	.0668	.0668
Chile	Peso	Free	.0571	.0571
		Off.	.0570	.0570
Colombia	Peso	Export	.0441	.0441
Cuba	Peso	....	.6282	.6282
Czechoslovakia	Koruna	....	1.1025	1.1025
Denmark	Krone	....	.0220	.0220
Ecuador	Sucre	....	.2296	.2296
Egypt	Pound	....	.0816	.0816
Eire	Pound	....	4.5538	4.5538
Fiji	Pound	....	4.4400	4.4400
Finland	Markka	....	4.0090	4.0090
France and North Africa.....	Franc	....	.0081	.0081
French Empire—African.....	Franc	....	.0092	.0092
French Pacific possessions.....	Franc	....	.0157	.0157
Haiti	Gourde	....	.0222	.0222
Hongkong	Dollar	....	.2205	.2205
Iceland	Krona	....	.2775	.2775
India	Rupee	....	.1702	.1702
Iraq	Dinar	....	.3330	.3330
Italy	Lira	....	4.4400	4.4400
Jamaica	Pound	....	.0049	.0049
Mexico	Peso	....	4.4400	4.4400
Netherlands	Florin	....	.2268	.2268
Netherlands East Indies	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.4153	.4153
New Zealand	Pound	....	.5842	.5842
Norway	Krone	....	3.5698	3.5698
Palestine	Pound	....	.2220	.2220
Peru	Sol	....	4.4400	4.4400
Philippines	Peso	....	.1709	.1709
Portugal	Escudo	....	.5512	.5512
Siam	Baht	....	.0444	.0444
Spain	Peseta	....	....	.1110
Straits Settlements	Dollar	....	.1009	.1009
Sweden	Krona	....	.5180	.5180
Switzerland	Franc	....	.2627	.2627
Turkey	Piastre	....	.2563	.2563
Union of South Africa	Pound	....	.0085	.0085
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	4.4400	4.4400
Uruguay	Peso	....	1.1025	1.1025
		Controlled	.7258	.7258
Venezuela	Bolivar	Uncontrolled	.6206	.6206
		....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solís.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.

Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucom.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

MARKET FOR PAINTS IN NEWFOUNDLAND

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

The demand for paints in Newfoundland increased substantially during the war, when base construction was at its peak, but has declined somewhat in recent months. In common with most articles in general demand in this country, however, the level of paint sales exceeds pre-war totals. The Newfoundland market for paints and all other commodities is, of course, limited, as the total population is only slightly over 300,000. The average annual income is not high and, as a result, the largest volume of business for paints would be in the lower-priced grades. The chief types in demand are those used for interior and exterior household application and also for marine purposes. Sales to industrial users have risen in recent years, and there is likely to be a larger outlet in this field, as domestic industries have already expanded and further development is contemplated.

Industrial projects now starting or planned in the immediate future include a new herring cannery at Petrie's, on the west coast of Newfoundland, and a new confectionery and biscuit factory in St. John's. It is also likely that additional fish filleting and canning plants will be established throughout the Island, and one of the larger paper mills has recently indicated that additions will be made to the plant to increase output. There is a critical housing shortage in St. John's, which will be met in part by the program now being undertaken by the St. John's Housing Corporation. The Newfoundland Government also recently called for tenders for a number of dwellings to be erected in one of the suburbs of St. John's. During the period when building materials were in very short supply, several building construction projects planned by the Government

and private interests had been held in abeyance, but these will be undertaken in the near future.

Sources of Supply

Prior to the war, Canada, the United Kingdom and the United States supplied more than 98 per cent of the total quantity of paints imported into the country. Throughout the past few years the bulk of the imports have been from Canada. The volume and value of paints, pigments and varnishes imported into Newfoundland in the fiscal year 1944-45 are shown in Table 1.

TABLE 1

Newfoundland Imports of Paints, Pigments and Varnishes in 1944-45

Ready-mixed paints and enamels—	Gal.	\$
United Kingdom	3,186	9,644
Canada	59,226	155,829
United States	20,135	39,019
	82,547	204,492
	Lb.	
Varnishes, stains, lacquers and shellacs—		
United Kingdom	68	283
Canada	5,591	17,324
United States	4,483	9,336
	10,142	26,943
Size and sizing—		
United Kingdom	91	317
Canada	5,331	10,158
St. Pierre	2	4
United States	1,903	4,331
	7,327	14,810
Composition paints for ships' bottoms—		
United Kingdom	168	320
Canada	1,130	2,483
United States	4,642	2,619
	5,940	5,422
	Lb.	
Chemical pigments, white—		
United Kingdom	44,638	2,139
Canada	123,615	8,219
United States	455,825	36,000
	624,078	46,358

TABLE 1

Newfoundland Imports of Paints, Pigments and Varnishes—Con.

Bituminous paints, n.o.p.—	Lb.	\$
United Kingdom	90	514
Canada	90	2,807
United States	90	10,414
	90	13,735
Kalsomine or cold-water paints dry—		
Canada	150,253	12,470
United States	44,060	767
	194,313	13,237
Chemical pigments, coloured—		
United Kingdom	33,388	6,572
Canada	18,483	1,789
United States	23,215	4,824
	75,086	13,185
Inert pigments, white—		
United Kingdom	79,504	677
United States	396,659	5,672
	476,163	6,349
Earth colours, natural and synthetic, n.o.p.—		
United Kingdom	60,088	2,012
Canada	26,875	1,817
United States	4,310	773
	91,273	4,602
Driers, solid or liquid—		
United Kingdom	17,179	3,755
United States	2,714	285
	19,893	4,040
Putty, paste and wood filler—		
United Kingdom	1,880	105
Canada	29,540	2,307
United States	982	187
	32,402	2,599
Artists' paints and colours—		
Canada .....	....	637
United States .....	....	1,021
	....	1,658
Paste and semi-paste paint, colours in oil—		
United Kingdom	4,032	264
Canada	2,515	960
United States	3,500	209
	10,047	1,433
Gold liquid paint—		
Canada	706	288
Pigment dyestuffs—		
Canada	90	39
United States	200	39
	290	78

The figures in the foregoing table are in accordance with a new tariff classification adopted by the Customs Department of the Newfoundland Government beginning with the fiscal year 1944-45. The available comparative statistics of imports of paints, pigments and varnishes for the fiscal years

1943-44 and 1938-39 are shown in Table 2.

TABLE 2

Newfoundland Imports of Paints, Pigments and Varnishes in 1943-44 and 1938-39

Paints, varnishes, pigments, etc.—	1943-44	1938-39
	Lb.	\$
United Kingdom	192,385	10,979
Canada	1,084,725	156,771
United States ..	1,014,990	86,175
	2,292,100	253,925
		142,460

The United Kingdom formerly accounted for a substantial share of the import trade, and it is expected that paints from this source will again be entering the Newfoundland market in the near future. Supplies from the United Kingdom are accorded a preferential rate that is 10 per cent lower than the duties applying to paints of Canadian and United States manufacture.

Domestic Production

Paints are manufactured in Newfoundland at prices that are competitive with those of imported supplies. Figures are not available covering local production but, according to various reliable estimates, approximately 80 per cent of the paints sold in this country are of domestic manufacture. The range produced is fairly complete and includes all the important items with the exception of lacquers. The local factory obtains all its raw materials from abroad and is a regular purchaser of all the materials used in paint manufacturing. It also has its own department for the manufacture of cans. It is reported that the local concern contemplates making an addition to its plant in order to supply the expanding market. A substantial rebate of customs duties is granted on raw materials entering Newfoundland for paint manufacturing.

Distribution

The Newfoundland paint market is highly competitive, and domestic producers and firms handling imported paints make extensive use of radio and newspaper advertising. Most of

the larger commercial firms engaged in the import trade represent overseas paint manufacturers on an exclusive basis. These firms import for their own account and, in most cases, have their individual retail outlets. In addition, they have a large number of wholesale accounts. The number of possible outlets for imported paints is limited, as the larger firms have connections of long standing with manufacturers in supplying countries. These organizations have salesmen who regularly cover the larger centres throughout the Island and they also have established wholesale accounts in the outports. New Canadian firms contem-

plating entering the Newfoundland market should, if possible, endeavour to make arrangements with one or other of the larger firms with an Island-wide coverage and established trading connections.

Tariff Duties

Paints entering Newfoundland are dutiable at 45 per cent ad valorem from the United Kingdom, and at 55 per cent ad valorem from all other sources. Ingredients used by manufacturers in the production of paints are subject to a customs drawback of 33½ per cent.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed. Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will shortly re-open at Rome (territory includes Malta) the office formerly located at Milan; Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will shortly open a new office at Leopoldville, Belgian Congo (territory includes Tanganyika, Kenya, Uganda, and Angola); Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales); and Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and South-West Africa, Natal, Mauritius, and Madagascar).

Their itineraries as at present arranged are as follows:—

Mr. Manion

Toronto and district—June 3 to 8 and 10 to 13.

St. Catharines, Thorold and Niagara Falls—June 14.

58908—2

Welland and Fort Erie—June 15.
Hamilton (including Brantford)—June 17 to 19.

Kitchener and Galt—June 20.

Guelph—June 21.

Ottawa—June 24 and 25.

Fort William—June 27.

Winnipeg—June 28 and 29.

Mr. Ausman

Montreal—May 27 to 31; June 3 and 4.

(Quebec City—June 1.)

Brockville—June 4 and 5.

Toronto—June 6 to 22.

(Oshawa—June 8.)

Hamilton—June 24 and 25.

Brantford—June 26.

Windsor—June 27.

Welland—June 28.

Mr. Allen

Calgary—June 3 and 4.

Edmonton—June 5.

Mr. Vechsler

Hamilton and district—May 28 to 30.

Brantford—May 31.

Kitchener and district—June 3 to 5.

Windsor—June 6 and 7.

Toronto—June 10 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Montreal, with the Montreal Board of Trade; for Edmonton, Winnipeg and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

MARKET FOR HOSIERY IN TRINIDAD, BARBADOS, AND BRITISH GUIANA

By W. B. McCULLOUGH, *Canadian Trade Commissioner at Port of Spain*

The British West Indies provide a relatively good market of steady volume for hosiery. None is manufactured locally, and all the colonies' requirements must be imported. In pre-war years, Canada supplied stockings and hose to these colonies, and during the war years imports from the Dominion increased in volume, although not sufficiently to meet the demand resulting from the increase in the purchasing power of the colonists during that period.

In 1944 the imports of hosiery from Canada into Trinidad, Barbados and British Guiana were valued at \$169,731 as compared with \$169,333 in 1940 and \$44,408 in 1935. Total imports from all sources amounted to \$342,520 in 1944, \$288,424 in 1940 and \$144,270 in 1935. Trinidad accounted for about 65 per cent of these imports.

Hosiery of artificial silk continues to be in greater demand. In 1940 Trinidad imported 47,921 dozen pairs of artificial silk as against 21,334 dozen pairs of cotton, 9,692 of silk and 2,994 of wool. The United Kingdom and Hong Kong were the principal suppliers of artificial silk hosiery up to 1939, when increased quantities came from Canada. During the war years nearly all imports of this grade were from the United States and Canada.

In the pre-war years, Hong Kong was the largest supplier of cotton hosiery. The volume from Canada began to increase in 1939, and during the wartime period the Dominion was the chief source of supply, followed by the United States in 1943 and 1944.

In silk hosiery, Canada had a dominant position in these markets before the war and up to 1943, when supplies became short. The Dominion has supplied the bulk of the higher-priced hosiery.

Since these colonies are in the tropics, there is a relatively small demand for woollen hosiery. The United Kingdom has been the chief source of supply for this type, although during the war years a larger proportion came from Canada.

There is a ready market of limited volume for nylon hosiery. To what extent nylon will replace silk hosiery will depend on prices, and Canada should be in a position to compete successfully for this trade.

Imports

The accompanying tables show the quantities and values of imports of hosiery into Trinidad, Barbados and British Guiana during two war years, 1941 and 1944, and two pre-war years, 1935 and 1938.

Imports of Hosiery into Trinidad by Countries

Stockings and hose of	1935		1938		1941		1944	
	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$
cotton—								
United Kingdom	2,883	4,153	1,390	2,832	3,102	8,125	955	3,225
Canada	1,195	2,698	1,489	3,307	10,806	23,296	8,007	25,586
Hong Kong	15,665	11,279	8,046	6,039	4,340	5,459	....	....
United States	24	113	6	9	9	38	6,616	21,097
Other countries	80	140	14	24	....	....	7	31
Total	19,847	18,383	10,945	12,211	18,257	36,918	15,585	49,939
Stockings and hose of								
artificial silk—								
United Kingdom	18,302	29,174	11,223	20,109	4,524	11,684	....	....
Canada	3,581	7,886	3,228	6,553	19,295	51,575	13,708	77,961
Hong Kong	5,870	7,193	23,726	23,325	19,801	24,095	....	....
United States	124	394	504	1,598	36	181	13,873	96,755
Other countries	45	142	124	130	....	....	8	77
Total	27,922	44,789	38,805	51,715	43,656	87,535	27,589	174,793

Imports of Hosiery into Trinidad by Countries—Conc.

Stockings and hose of silk—	1935		1938		1941		1944	
	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$
United Kingdom	513	1,914	346	1,086	57	251	....	....
Canada	2,813	16,771	5,011	30,002	7,003	48,255	25	618
Hong Kong	2	5	....	....	....	....	....	....
United States	6	38	74	384	73	779	2	51
Other countries	32	147	19	84	....	....	....	....
Total	3,366	18,875	5,450	31,556	7,133	49,285	27	669

Stockings and hose of wool—	1935		1938		1941		1944	
	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$
United Kingdom	734	2,453	1,190	4,697	1,045	6,096	250	2,870
Canada .....	....	....	....	....	1,029	4,894	374	3,039
United States .....	....	....	....	....	....	....	1	20
Total	734	2,453	1,190	4,697	2,074	10,990	625	5,929

Imports of Hosiery into Barbados by Countries

Stockings and socks, first cost not exceeding 1s. 6d. per pair—	1935		1938		1941		1944	
	Pr.	£	Pr.	£	Pr.	£	Pr.	£
United Kingdom	90,957	2,838	67,485	2,235	26,350	1,276	860	50
Canada	17,427	694	18,190	677	51,135	2,107	64,384	3,548
Hong Kong	47,664	672	75,063	1,280	89,496	1,766	....	....
United States	466	14	3	....	150	10	29,921	1,932
Other countries	490	25	....	....	....	....	....	....
Total	157,004	4,243	160,741	4,192	167,131	5,159	95,165	5,530

Stockings and socks, first cost exceeding 1s. 6d. per pair but not 2s.—	1935		1938		1941		1944	
	Pr.	£	Pr.	£	Pr.	£	Pr.	£
United Kingdom	1,351	125	2,900	278	1,493	153	2	....
Canada	3,135	325	12,533	1,301	8,244	913	4,520	454
Hong Kong .....	....	....	....	....	....	....	....	....
United States	195	18	81	8	18	2	5,764	599
Other countries	180	19	....	....	....	....	....	....
Total	4,861	487	15,514	1,587	9,755	1,068	10,286	1,053

Stockings and socks, first cost exceeding 2s. per pair—	1935		1938		1941		1944	
	Pr.	£	Pr.	£	Pr.	£	Pr.	£
United Kingdom	423	56	2,411	383	277	40	....	....
Canada	5,913	773	6,282	874	13,840	2,001	13,838	2,348
United States .....	....	....	319	45	47	12	7,624	1,736
Argentina .....	....	....	....	....	....	....	....	....
Total	6,336	829	9,012	1,302	14,164	2,053	21,462	4,084

Imports of Hosiery into British Guiana by Countries

Stockings and hose of cotton—	1935		1938		1941		1944	
	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$
United Kingdom	2,492	3,504	1,134	2,109	414	1,122	662	1,620
Canada	288	594	693	1,543	1,380	3,303	1,322	6,332
Hong Kong	4,085	2,801	539	486	1,435	1,266	....	....
United States	1	1	1	2	....	....	7,994	22,989
Other countries .....	....	....	3	5	....	....	4	21
Total	6,866	6,900	2,370	4,145	3,229	5,691	9,982	30,962

Stockings and hose of artificial silk—	1935		1938		1941		1944	
	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$	Doz. Pr.	\$
United Kingdom	9,648	14,718	5,271	8,584	1,714	3,881	....	....
Canada	850	2,533	1,540	4,049	2,731	7,820	4,133	24,324
Hong Kong	1,625	1,412	6,022	6,004	9,068	9,392	....	....
United States	76	197	1	4	....	....	5,673	22,282
Other countries	50	152	64	95	....	....	....	....
Total	12,249	19,012	12,898	18,736	13,513	21,093	9,806	46,606

Imports of Hosiery into British Guiana by Countries—Conc.

	1935		1938		1941		1944	
	Pr.	£	Pr.	£	Pr.	£	Pr.	£
Stockings and hose of silk—								
United Kingdom	9	64	109	490	9	35	....	....
Canada	775	5,324	1,488	9,234	1,135	7,798	35	378
United States	2	20	3	21	....	....	58	251
Other countries .....	....	....	5	3	....	....	1	12
Total	786	5,408	1,605	9,748	1,144	7,833	94	641
Stockings and hose of wool—								
United Kingdom	687	1,767	507	1,735	253	1,306	114	486
Canada .....	....	....	12	22	235	1,128	171	1,013
United States .....	....	....	....	....	....	....	42	280
Total	687	1,767	519	1,757	488	2,434	327	1,779

Import Control

All imports into the British West Indies are under strict control, and all goods must be covered by a valid import licence. Owing to the shortage of dollar exchange, imports are restricted to the assessed essential requirements of the respective colonies. For Trinidad the quotas for hosiery are based on the average imports from all sources during the periods, January, 1936, to December, 1938, and January to July, 1941. Canada is a competitive supplier for these quantities, which represent the maximum volume that the Dominion could export to these markets as long as the present exchange restrictions remain in force. Similar control measures are in effect in the other colonies.

Representation

Most manufacturers and exporters doing business in these colonies appoint a firm of manufacturers' representatives and commission agents to represent them and to canvass the

trade on their behalf. On account of the extent of the colonies and the nature of the trade, this has been a very satisfactory method of operating in this market. There would be no difficulty in obtaining the services of a suitable firm to represent any exporter who desires to enter this market. It should be borne in mind that there is not business for more than one agent in a single colony. In fact it is possible to secure the services of a firm that is in a position to cover more than one colony. Frequently a representative in Barbados can handle the Windward and Leeward Islands satisfactorily. The office of the Canadian Trade Commissioner at Port of Spain is prepared to assist exporters in obtaining suitable representatives.

Advertising

The local press is the usual and most effective medium for advertising, and all the larger colonies have at least one local newspaper. There are no local radio broadcasting stations that handle advertising.

UNITED KINGDOM TOKEN IMPORTS

With reference to the article published in *Commercial Intelligence Journal* No. 2202 (April 13, 1946), page 322, concerning the procedure for effecting token shipments to the United Kingdom for a specified list of goods, the following three corrections should be noted in the footnotes to the appended list of goods, subject to the aforesaid procedure:

(a) Cutlery, Item No. 19, is not subject to price control.

(b) Beehives and frames, Item No. 37, are not subject to production speci-

fications, although the United Kingdom market will want almost entirely British National beehives, or W.B.C. hives, both of which are presumably known to the Canadian trade.

(c) Fountain pens, Item No. 33, are subject to production specifications as well as price controls.

In the list of goods currently eligible for token shipment, there was included an item "vaseline preparations"; this should be amended to read "petroleum jelly preparations".

CANADA'S EXPORT TRADE IN APRIL

Canada's domestic merchandise exports in April were valued at \$178,-488,000 as compared with \$178,377,000 in March and \$312,323,000 in April, 1945, according to figures released by the Dominion Bureau of Statistics. For the four months ending April the total value of exports was \$699,098,000 as against \$1,080,360,000 for the corresponding period of last year. As in preceding months of the year, the decline in April as compared with April last year was due to the practical cessation of shipments of war materials and equipment, the decrease in items clearly identifiable as such exceeding considerably the drop of \$133,835,000 in total exports.

Sharp reductions were again recorded in the value of merchandise exported to the United Kingdom, the United States, British India, Italy and Russia. On the other hand, shipments were substantially higher to Belgium, Czechoslovakia, the Netherlands, Norway, Poland and Yugoslavia, and exports increased in value to all except three of the Latin American republics.

Commodity exports to the United Kingdom were valued at \$40,974,210 as compared with \$109,090,774 in the corresponding month of last year, and the total for the four months at \$180,-556,713 as against \$368,573,613. April exports to the United States amounted to \$71,399,250 as compared with \$109,-121,234, and in the four months to \$257,749,996 as compared with \$388,-685,729. Exports to British India totalled \$2,301,469 as compared with \$29,138,161; to Italy, \$2,816,515 as against \$14,731,429; and to Russia, \$203,615 as compared with \$6,223,028.

April shipments to Belgium were valued at \$5,387,342 (\$269,790 in April, 1945); Czechoslovakia, \$3,279,-561 (\$155,061); the Netherlands, \$1,-711,550 (\$271,808); Norway, \$1,200,-596 (nil); Poland, \$2,630,935 (\$466,-966); Yugoslavia, \$2,514,788 (\$400,-500). Exports to France were slightly lower at \$7,584,976 as compared with \$8,500,625, but the four months' total

was higher at \$26,822,262 as against \$21,195,835.

In the general advance in trade with South and Central America, the largest increases were recorded for exports to Argentina, Brazil, Colombia and Venezuela. Shipments to Argentina were valued at \$948,025 (\$484,221); Brazil, \$1,713,927 (\$1,012,807); Colombia, \$891,494 (\$332,049); Mexico, \$690,822 (\$605,650); Venezuela, \$881,829 (\$317,192).

Among British Empire countries besides those already mentioned, exports to Australia were lower at \$1,721,532 as against \$5,761,496; Newfoundland, \$2,012,773 (\$3,016,668); Jamaica, \$1,-104,983 (\$1,472,889); Trinidad and Tobago, \$808,776 (\$2,223,429); and higher to South Africa at \$3,408,677 (\$2,398,561); New Zealand, \$1,835,078 (\$925,899); British East Africa, \$277,-474 (\$91,015); Barbados, \$445,072 (\$373,761); Hong Kong, \$495,987 (nil).

Exports of agricultural and vegetable products declined from \$60,618,000 to \$46,436,000, the decrease being spread over many items. Wheat was slightly higher, however, at \$21,236,000 as compared with \$20,591,000, the four months' total standing at \$84,360,000 as against \$49,433,000. Wheat flour also advanced to \$12,311,000 as compared with \$9,832,000 and the total for January-April to \$39,638,000 as against \$33,102,000. Shipments in the animals and animal products group were valued at \$24,146,000 as compared with \$34,-798,000 last year, major declines being shown in meats and eggs. Exports in the wood and paper group rose to \$46,-373,000 as against \$37,018,000, newsprint paper advancing again to \$20,-999,000 from \$14,819,000, wood-pulp to \$9,284,000 from \$8,262,000, and planks and boards to \$7,610,000 from \$6,500,000.

Exports in the iron and its products group declined sharply from \$68,419,-000 to \$18,939,000, due chiefly to a decrease in automobiles and parts from \$43,688,000 to \$8,889,000. Exports of non-ferrous metals and their products

were valued at \$21,849,000 as compared with \$36,426,000, those of chemicals and allied products at \$5,577,000 as against \$12,685,000, and the miscellaneous commodities group at \$5,484,000 as compared with \$50,171,000. For the first and last two of these groups, the values of exports in April were nearly equal to those in March. In the

case of non-ferrous metals the April value showed a substantial advance over the March figure, which stood at \$18,379,000.

A statistical summary of Canada's exports in April by countries and commodities will be published in next week's issue of the *Commercial Intelligence Journal*.

NEW FIVE YEAR PLAN FOR THE SOVIET UNION

Contributed by the European Section of the Foreign Trade Service

The general conception of the new Five Year Plan was first announced at the Celebration Meeting of the Moscow Soviet on November 6, 1945, and in slogans issued at that time for the anniversary of the Central Committee of the Communist Party. The guiding principle of the Plan is its reliance on the "technical and economic independence" of the Soviet Union. The basic tasks of the new Plan were described as: (1) to increase the production in industry, by comparison with the pre-war period, by almost one and a half times and to ensure, first and foremost, the re-establishment and development of heavy industry and railway transport; (2) to develop agriculture and consumer goods industries; (3) to ensure technical progress and not only to equal but "to surpass within the near future the achievements of science beyond the borders of the U.S.S.R."; (4) to ensure a rapid increase in capital investments; and (5) to "ensure still further the defence of the U.S.S.R. and to provide the armed forces with the most up-to-date military technique".

No decree can embrace fully the many programs necessary to carry out the basic tasks of the Plan. In some areas of the Soviet Union the initial stress must be on reconstruction; in others new factors must be taken into consideration in the exploitation of virgin territories; while in still other territories the expansion and reorganization of already existing industries is called for. Therefore the mechanics of long-range planning necessitated reference to districts and industries in order that programs consistent with

local needs might be drawn up, discussed, presented for approval and finally co-ordinated into a whole.

Development of New Industrial Areas

If the most urgent task of the Plan is the reconstruction of destroyed areas, the most spectacular is the development of the new industrial areas, "the pride of Soviet industry." The Plan lays down an ambitious scheme of development in the Urals, Siberia, Kazakstan and the Caucasus, but especially in the Urals. Once the difficulties of transport are overcome, the Urals, with the advantage of security, mineral resources, fuel, hydro-electric power and inestimable timber resources, may well exceed in output regions to which they were at first supplementary. The major handicap that must be overcome there is the inadequacy of road and railway transport.

Transport the Key Factor

Transport, although not listed by itself in top priority in the decree, is undoubtedly the key factor. These are two aspects to the transportation problem: one, the restoration of existing facilities; the other, the extension of the network, together with a reorientation of traffic flow to conform to the new economic geography of the Soviet Union. The biggest operational problem from the point of view of industrial efficiency is to speed up freight traffic on the railway, water and automobile transport systems from 430,000 million ton-kilometres in 1937 and 483,000 ton-kilometres in 1940 to 657,500 mil-

lion ton-kilometres in 1950; that is, 36 per cent above the pre-war level. Railway freight traffic alone is to be increased to 28 per cent above its pre-war level. Lines that require special attention are said to be those connecting the Far East, Siberia, and the Urals with the Donetz Basin. One of the basic tasks will be the replacement of about 600,000 kilometres of track with rails of a heavier type and the laying of gravel ballast. Two fundamental changes are proposed: electrification of over 5,000 kilometres of line in the Urals, and the use of Diesel engines in the oil-producing areas of the Caspian Plateau and the Northern Caucasus, thus effecting a substantial reduction in fuel consumption. Nevertheless the basic unit in transport is the steam engine, and the most important condition for the fulfilment of the Plan, as far as increasing railway freight traffic is concerned, is the speeding up of freight-car turnover.

There is to be an increase in river transport of goods by 38 per cent, a considerable percentage of which will, of course, be accounted for by timber. Road communication, which is in a worse state than the railways, is an economic, not to say strategic, weakness, but the only comment on this problem in an official report is that there will be "further development" and that the number of automobiles in use will be doubled.

Heavy Industries

Not only is adequate transport preliminary to the development of industrial resources, but it is, of course, dependent on the development of the coal, oil and heavy industries. In the iron and steel industry, production of pig iron is to be increased to 19,500,000 tons and that of steel to over 25,000,000 tons, which is said to be a 35 per cent increase in the output of metal over the pre-war level. The output of non-ferrous and rare metals is to be increased "to an extent that the demands of the national economy will be fully covered by home production . . . output of new rare metals is to develop at a similar and even faster rate".

Fuel and Power

In the fuel industry the output of coal in 1950 is to be increased to 250,000,000 tons, an advance of 51 per cent by comparison with the pre-war figure. Emphasis is placed on the development of new branches of the fuel and power industry, such as the manufacture of synthetic liquid fuel to the extent of 900,000 tons annually. It is most significant that, while the production of oil is to increase by 35,400,000 tons, or 14 per cent over the pre-war level, the proportion supplied by the eastern regions of the Soviet Union is to be increased from 12 per cent in 1940 to 36 per cent in 1950.

In the field of electrification, there is to be an increase in production of electric power to 82 billion kilowatt-hours which exceeds the pre-war figure by 70 per cent. Production in the machine construction industry is to be twice that of the pre-war level, while in the chemical industries production will increase one and a half times. The output of synthetic rubber will be doubled, and the production of paper in 1950 will be increased to 1,340,000 tons, an advance of 65 per cent over the pre-war figure.

Construction and Agriculture

The Plan also provides for a "rapid increase" in the development of the timber and building-material industry, while a new branch of the industry, the factory production of dwelling-houses, is being established.

In connection with agriculture, the predominant emphasis is on the increase of industrial crops.

Emphasis is placed upon "the wide use of local initiative", and the reconstruction of devastated areas is the particular responsibility of "the republics within the system of the national economy of the U.S.S.R."

Labour

Not the least important factor in the Plan is the human equation. The Plan calls for an increase in the productivity of labour in industry of 36

per cent as compared with the pre-war level. This is to be accomplished by an increase in machinery and mechanical power per worker, by improving the skill of the worker, and by putting the eight-hour day to the fullest possible use. The Plan provides for an increase in the number of metal-working machine tools to 1,300,000, or approximately 30 per cent more than the number in use in the United States in 1940. It is proposed to encourage those employed in essential industries by improving working conditions and by paying higher wages to workers as well as to engineers and technicians in the iron, steel, coal and oil industries. In accord with the wage policy of the Soviet Government, in order to strengthen the wage factor in increasing labour productivity, it is necessary to make better use of the progressive

piece-work system, as well as the system of bonuses to engineers and technicians for fulfilment and over-fulfilment of production plans, systematically increasing the share of bonuses in total earnings. The policy of increased bonuses for fulfilment of the "workers' norm" and for scientific technical discoveries is to be one of the key means of raising the standard of living.

[The foregoing is the first in a series of reports on the new Five Year Plan to develop and restore the national economy of the Union of Soviet Socialist Republics. However, the information presented in this series should not be construed as affording opportunities for private trading. As explained in a report entitled "Points for Trading with the U.S.S.R.," published in *Commercial Intelligence Journal* No. 2174: September 29, 1945, foreign trade is strictly a monopoly of the Soviet Union.]

UNITED STATES CEILING PRICES FOR MAPLE SYRUP AND MAPLE SUGAR REVISED

By W. D. WALLACE, *Assistant Commercial Secretary, Canadian Embassy at Washington*

As reported in *Commercial Intelligence Journal* No. 2200 (March 30, 1946), page 265, the United States Office of Price Administration issued an amendment granting increases, effective March 8, in the producers' maximum prices for maple syrup sold in bulk. As a result of the increase to producers, the O.P.A. has now decided that an increase equivalent to three cents per pound for items sold primarily by packers would ensure them returns equal to those realized during a normal peacetime period. Therefore, Amendment No. 4, effective April 26, 1946, increases the price of maple syrup in containers of twenty-four ounces or less, bulk maple syrup sold by packers, and block sugar. The amendment also increases the price of Canadian bag sugar to maintain the basic differential and to permit the continued importation of this item. The purpose of the amendment is to restore the distribution of maple syrup to normal channels and to establish for packers prices that are generally fair and equitable.

Details of prices established by the amendment of April 26 may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

CANADIAN BAG SUGAR

The maximum prices for Canadian bag sugar, f.o.b. port of entry, duty included, shall be 31 cents per pound.

The prices for block sugar and Canadian bag sugar delivered to the buyer shall in no case exceed the established maximum f.o.b. prices, plus the actual transportation charges incurred from the sellers' f.o.b. shipping point to the place of destination, which charges, in no event, shall exceed the cost of transporting an equal quantity of the same commodity from the same shipping point directly to the purchasers' customary receiving point, computed at the lowest available transportation rate for the customary mode of transportation employed.

MAXIMUM PRICES OF MAPLE SYRUP FOR
FLAVOURING

The producers' or packers' maximum prices, f.o.b. packing plant, for each item, that is, for each type and container size, of "flavouring maple syrup" shall be his "base price" plus 99 cents

per gallon. The base price shall be determined by dividing the total dollars charged each class of purchaser for such items during the period comprising the months of April, May and June, 1941, by the number of such items sold such class of purchasers during the base period.

TRADE OF SIERRA LEONE IN 1944

By J. G. DYKES, *Assistant Canadian Trade Commissioner at London*

The import trade of Sierra Leone continued on substantially the same high level in 1944 as was established in 1943. However, the total value of exports, although slightly higher than the 1943 figure, was still less than half the 1937 or 1938 amount. Imports were valued at £5,274,203, and exports at £1,143,769 in 1944.

EXPORTS

Palm kernels to a value of £588,732 and iron ore valued at £333,389 made up the bulk of Sierra Leone's total exports during 1944. The United Kingdom continued to be a purchaser of almost all the exports; in 1944 over

90 per cent of Sierra Leone's exportations were shipped to Britain.

IMPORTS

In addition to being the leading purchaser of Sierra Leone's products, the United Kingdom is also the most important supplier of goods thereto. Britain obtained about 56 per cent of the import business during 1944, while other British countries are credited with 25 per cent. Table 1 shows the values of imports into Sierra Leone from principal countries for the years 1940 to 1944.

The distribution of the import trade during 1944 by principal countries and by classes of goods is shown in Table 2.

TABLE 1

Imports into Sierra Leone by Principal Countries

	1940	1941	1942	1943	1944
United Kingdom	£1,641,805	£2,254,760	£2,340,784	£3,554,273	£2,960,536
British India	154,776	186,733	394,415	587,803	636,916
United States	51,501	81,113	77,613	166,199	425,892
South Africa	23,762	133,017	195,406	263,700	250,632
Canada	53,235	79,520	156,031	338,482	154,381
Nyasaland	52,402	53,146	80,887	144,944	153,972
Netherlands West Indies ...	65,252	55,449	104,724	84,307	77,220

TABLE 2

Distribution of Imports by Principal Countries and Commodity Groups

	Food, drink and tobacco	Raw materials and articles mainly un- manufactured	Articles wholly or mainly manu- factured	Total merchandise
United Kingdom	£239,984	£1,243,604	£1,476,948	£2,960,536
British India	348	...	636,568	636,916
United States	134,009	5,076	286,807	425,892
South Africa	177,175	38,658	34,799	250,632
Canada	143,324	...	11,057	154,381
Nyasaland	153,972	...	...	153,972
Netherlands West Indies ...	...	...	77,220	77,220

Note—Parcel post imports and animals (not for food) are not shown separately but are included in the total.

Following are detailed figures of the commodities imported into Sierra Leone that are of interest to Canadian exporters, with values credited to each of the principal countries of supply:—

FOOD, DRINK AND TOBACCO

Beer—Total, 379,942 imperial gal. (£107,751): United Kingdom, 215,586 gal. (£60,809); Canada, 124,611 gal. (£29,302).

Biscuits—Total, 2,827 cwt. (£8,907): United Kingdom, 2,591 cwt. (£7,081); Canada, 193 cwt. (£1,454).

Butter—Total, 1,135 cwt. (£15,404): Union of South Africa, 666 cwt. (£9,043); Argentina, 310 cwt. (£4,539).

Cheese—Total, 276 cwt. (£2,915): Union of South Africa, 199 cwt. (£2,125); Canada, 41 cwt. (£436).

Confectionery—Total, 1,418 cwt. (£8,807): Union of South Africa, 676 cwt. (£5,019); Canada, 585 cwt. (£2,440); United Kingdom, 156 cwt. (£1,247).

Canned Fish—Total, 1,747 cwt. (£13,762): Senegal, 528 cwt. (£5,765); Canada, 1,002 cwt. (£3,976); Argentina, 64 cwt. (£2,209).

Rice—Total, 30,264 cwt. (£20,535): United States, 23,052 cwt. (£18,833).

Flour, Wheaten—Total, 57,500 cwt. (£84,950): Canada, 36,725 cwt. (£55,551); United States, 20,388 cwt. (£28,798).

Jams and Jellies, Canned—Total, 281,599 lb. (£10,715): Union of South Africa, 223,031 lb. (£7,390); United States, 42,556 lb. (£1,937); Canada, 13,173 lb. (£1,289).

Meats, Canned—Total, 3,028 cwt. (£28,509): Argentina, 593 (£6,817); United States, 1,328 (£11,981).

Meats, Fresh—Total, 6,082 cwt. (£29,314): Argentina, 5,293 cwt. (£23,797).

Meats, Smoked—Total, 1,853 cwt. (£10,568): Argentina, 372 cwt. (£4,424).

Milk, Condensed, not Sweetened—Total, 9,143 cwt. (£53,547): United States, 5,762 cwt. (£39,433); Canada, 3,187 cwt. (£13,403).

Milk, Condensed, Sweetened—Total, 1,674 cwt. (£8,544): United States, 1,341 cwt. (£6,971); Canada, 292 cwt. (£1,363).

Milk, Powder, not Sweetened—Total, 349 cwt. (£4,778): Canada, 321 cwt. (£4,495).

Oils, Edible—Total, 71,311 imperial gal. (£29,739): Belgian Congo, 43,340 gal. (£11,937); Argentina, 17,502 gal. (£12,985).

Pickles, Sauces and Condiments—Total, £3,538: Argentina, £1,098; United States, £807; Union of South Africa, £693; Canada, £492.

Salt, Other than Table—Total, 60,623 cwt. (£23,739): United Kingdom, 60,621 cwt. (£23,738).

Gin—Total, 11,130 imperial gal. (£11,332): Union of South Africa, 8,380 gal. (£8,488); United Kingdom, 2,520 gal. (£2,644); Canada, 230 gal. (£200).

Whisky—Total, 23,157 imperial gal. (£36,042): United Kingdom, 22,245 gal. (£34,851); Canada, 912 gal. (£1,191).

Sugar—Total, 31,135 cwt. (£44,073): Belgian Congo, 20,174 cwt. (£29,978).

Tobacco, Unmanufactured—Total, 1,772,840 lb. (£154,020): Nyasaland, 1,772,347 lb. (£153,972).

Cigarettes—Total, 276,262 lb. (£104,237): United Kingdom, 208,038 lb. (£79,568); Canada, 51,316 lb. (£19,988).

Vegetables, Dried, Canned or Preserved—Total, 3,664 cwt. (£16,521): Union of South Africa, 878 cwt. (£3,618); United States, 1,675 cwt. (£5,003); Canada, 383 cwt. (£1,937); Argentina, 204 cwt. (£3,257).

Wine, Still—Total, 154,497 imperial gal. (£86,892): Union of South Africa, 148,855 gal. (£84,748).

RAW MATERIAL AND ARTICLES MAINLY UNMANUFACTURED

Coal—Total, 251,976 tons (£1,302,563): United Kingdom, 228,891 tons (£1,223,412).

Lumber, Sawn or Hewn, Wholly or Partly Dressed—Total, 511,232 sup. ft. (£10,261): Nigeria, 503,248 sup. ft. (£10,026).

ARTICLES WHOLLY OF MAINLY MANUFACTURED

Boots and Shoes Wholly or Mainly of Leather—Total, 32,282 pr. (£28,960): United Kingdom, 10,024 pr. (£7,348); Union of South Africa, 7,128 pr. (£9,099); Argentina, 6,230 pr. (£6,400).

Boots and Shoes, Rubber, including Rubber with Canvas Uppers—Total, 55,037 pr. (£12,538): Brazil, 47,380 pr. (£9,587); Mexico, 6,600 pr. (£1,842); United States, 976 pr. (£1,039).

Slippers and House Shoes—15,004 pr. (£4,858): British India, 3,800 pr. (£3,190).

Hats—Total, 3,173 doz. (£6,112): United Kingdom, 2,242 doz. (£3,517).

Shirts—Total, 54,759 units (£11,749): British India, 39,114 units (£6,812); United Kingdom, 10,578 units (£3,781).

Singlets—Total, 276,788 units (£21,273): Mexico, 116,508 units (£6,154); United Kingdom, 76,133 units (£7,737).

Bags and Sacks (Empty) not including Paper Bags—1,508,139 units (£90,729): British India, 1,497,765 units (£89,695).

Cotton Piece-goods, Grey, Unbleached—Total, 3,394 cwt. (£72,206): British India, 2,983 cwt. (£65,858).

Cotton Piece-goods, White, Bleached—7,410 cwt. (£207,365): British India, 3,886 cwt. (£123,189); United Kingdom, 3,512 cwt. (£83,857).

Cotton Piece-goods, Printed—Total, 5,953 cwt. (£202,378): United Kingdom, 5,759 cwt. (£193,701).

Cotton Piece-goods, Dyed in the Piece—Total, 3,645 cwt. (£93,363): United Kingdom, 2,712 cwt. (£66,200); British India, 578 cwt. (£15,693).

Cotton Piece-goods, Manufactured Wholly or in Part of Dyed Yarn, commonly known as Coloured Cottons—Total, 8,179 cwt. (£345,096); British India, 5,879 cwt. (£276,482); United Kingdom, 2,088 cwt. (£55,019).

Cotton Piece-goods, Sewing Thread—Total, 37,463 lb. (£14,842); United Kingdom, 37,372 lb. (£14,779).

Cotton Piece-goods, Blankets—Total, 1,342 cwt. (£22,074); British India, 1,253 cwt. (£20,475).

Cotton Towels—Total, 666 cwt. (£13,217); United Kingdom, 175 cwt. (£3,511); Brazil, 359 cwt. (£4,978); Mexico, 90 cwt. (£2,725).

Artificial Silk Piece-goods—Total, 56,739 lb. (£36,367); United Kingdom, 56,707 lb. (£36,354).

Woollen Piece-goods—Total, 245 cwt. (£20,194); United Kingdom, 225 cwt. (£19,524).

Clocks and Watches—Total, 1,768 units (£639); Canada, 1,200 units (£333); Switzerland, 204 units (£104).

Implements, Agricultural—Total, £18,619; United Kingdom, £16,993.

Machinery, Industrial—Total, £16,402; United Kingdom, £9,014.

Machinery, Mining and Gold-dredging—Total, £34,602; United Kingdom, £32,536.

Vehicles, Rail (Steam and Other)—Total, 22 units (£188,413); United Kingdom, 22 units (£188,413).

Rail Wagons and Trucks—Total, 337 units (£86,829); United Kingdom, 337 units (£86,829).

Road, Commercial Vehicles—Total, 129 units (£100,544); United States, 127 units (£99,470).

Cement—Total, 27,631 tons (£143,735); United Kingdom, 27,631 tons (£143,735).

Rubber Tires (except those imported with Complete Vehicles)—1,498 units (£8,782); United Kingdom, 1,249 units (£7,283).

Matches—Total, 55,342 gross boxes (£21,843); United States, 21,850 gross boxes (£6,617); British India, 19,450 gross boxes (£7,692); Brazil, 7,975 gross boxes (£5,612).

Medicines and Drugs—Total, £59,002; United Kingdom, £51,627.

Oils, Illuminating—Total, 521,154 gal. (£35,753); Netherlands West Indies, 285,637 gal. (£15,948); United States, 235,517 gal. (£19,805).

Oils, Lubricating—Total, 207,079 gal. (£24,923); United States, 175,758 gal. (£21,502).

Oils, Fuel—Total, 979,199 gal. (£37,913); Netherlands West Indies, 591,425 gal. (£28,142); United States, 28,534 gal. (£1,752).

Oils, Motor Spirit—Total, 751,212 gal. (£61,915); Netherlands West Indies, 391,292 gal. (£31,469); United States, 359,920 gal. (£30,446).

Paper, All Kinds (except Sensitized)—Total, £13,477; United Kingdom, £9,399; Canada, £2,037.

Perfumery (except Fancy Soap)—Total, £22,838; United Kingdom, £15,617; Canada, £3,298; United States, £2,373.

Soap, Toilet, including Shaving Soap—Total, 940 cwt. (£8,044); United States, 200 cwt. (£1,578); Union of South Africa, 347 cwt. (£2,371); Argentina, 149 cwt. (£2,198); Canada, 131 cwt. (£1,146).

Common Soap—11,766 cwt. (£26,754); Nigeria, 8,693 cwt. (£17,809); United Kingdom, 2,769 cwt. (£8,107).

Stationery (Other than Paper)—Total, £11,901; United Kingdom, £7,420.

ECONOMIC, TRADE AND PRODUCTION NOTES

Cuba

NEWSPRINT SITUATION IMPROVED

Mr. R. G. C. Smith, Commercial Secretary, Canadian Legation at Havana, writes under date May 7, 1946, that since the early part of March, when the longshoremen's strike at the port of New York was settled and the movement of freight became more or less normal, the local supply situation in respect of newsprint has improved and, possibly for the first time since quotas were established, publishers are apparently satisfied with the quantity of paper they are now receiving. No complaints of shortages are now in evidence, as confirmed by

the agents of the Canadian newsprint suppliers, which would indicate that imports are sufficient to meet the legitimate requirements of the publications. Although deliveries from Scandinavia during the first quarter of the year amounted to only 502 metric tons, this relatively small quantity has offset the recurring shortages that caused so much complaint during the period when Canada was the only source of supply. Shipments from Canada are now coming forward with regularity and are running slightly in excess of the allotted 1,200 tons monthly.

According to information from unofficial but reliable sources, total imports of newsprint during the first

quarter of 1946 amounted to 4,261 metric tons, of which 3,759 tons were of Canadian origin and the remainder from Sweden. Other importations from Sweden in the same period were: wood-pulp, 1,703 metric tons; and various types of paper products including wrapping paper, kraft paper, printing paper and cardboard, 515 metric tons.

Northern Ireland

BUDGET FOR 1946-47

Mr. E. L. McColl, Canadian Trade Commissioner at Belfast, writes under date May 9, 1946, that, presenting his budget statement for 1946-47 in the House of Commons on May 7, the Northern Ireland Minister of Finance estimated total revenue at £51,216,000 and expenditure at £28,616,000, which, after allowing for an Imperial contribution of £22,500,000, will leave a balance of £100,000 in the Exchequer.

Receipts from transferred tax revenue are estimated at £3,050,000, and from reserved tax revenue at £45,490,000, the addition of miscellaneous items bringing the total estimated revenue to £51,216,000. The total provision for consolidated fund services, including £840,000 allocated to the reserve fund, is £1,956,000. The estimates for supply services amount to £23,168,000, an increase of approximately £6,000,000 over the figure for last year, accounted for by substantially increased provision for housing, water supplies and health services generally, for industrial development, and the new provision for family allowances. The cost of reserved services is expected to be £3,167,000, and the inclusion of miscellaneous items brings the total estimated expenditure to £28,616,000.

The proposals of the British Government with regard to estate duties are to be adopted without modification, as also are those in connection with death duties, although there may be variations in the death-duty scales next year.

The capital position of the Exchequer continues to be satisfactory. Despite substantial new capital advances for housing, electricity, agricultural loans, etc., total capital

liabilities are still well below the pre-war figure. Various sinking and reserve funds have been fully maintained, and the amount of investments, excluding those held as trustees for charities, now exceeds £24,000,000 in Imperial Government securities.

United Kingdom

EXTERNAL TRADE IN MARCH

Mr. A. E. Bryan, Chief Canadian Trade Commissioner in the United Kingdom, writes that the United Kingdom overseas trade returns for March show that exports continue to rise. The total was £67,058,039 as compared with £24,125,404 for March, 1945, and a monthly average in 1938 of £39,229,607. The corresponding figure for the previous month of February was £59,985,280, so that the rate of expansion achieved in recent months has slowed down somewhat.

The increase was most marked in the category of fully manufactured goods, exports of which were valued at £56,075,797, nearly three times the total for March, 1945, and £25,638,748 more than the 1938 monthly average. The vehicle industry (which includes locomotives, ships and aircraft, as well as motor vehicles) led the advance with a rise above the February total of £2,817,342, which put the industry in second place, after machinery, as the largest exporter. Machinery exports were valued at £7,458,800 and those of vehicles at £6,934,000. Iron and steel products came third with a value of £6,499,045. Exports of chemicals were the highest ever recorded at £5,793,695. Other important industries contributing to the March total were: cotton goods (£5,064,868); woollens (£3,448,472); electrical goods (£2,851,327); and miscellaneous articles (£4,009,795). All these figures represented increases over the 1938 level.

The value of exports of coal, on the other hand, reached only £860,945 as against the 1938 total of £3,117,192.

Imports in March were valued at £103,467,079. The adverse balance on merchandise account for the month was

£31,784,516, which is practically the same as the monthly average for 1938, namely, £32,269,085.

An examination of the statistics discloses that the value of imports of food, drink and tobacco in March was £54,631,996 as compared with £35,843,058 in an average month in 1938. The increase was spread over all items with

the exception of animal feeding-stuffs and fresh fruit and vegetables.

Raw material imports were recorded at £27,961,626, a rise of 35 per cent over the 1938 monthly average.

As regards fully manufactured goods, imports were valued at £18,090,687, or £1,382,272 less than for an average month in 1938.

POSTAL SERVICES AND RATES

Bulgaria and Finland

REGISTRATION SERVICE AVAILABLE

Registration service is now available for mail to Bulgaria and Finland.

Yugoslavia

PARCEL POST RATES CHANGED

The postage rate on 11-pound commercial parcels for Yugoslavia has been altered and will, until further notice, be \$3.25. It should be noted that the postage rate on gift parcels weighing 11 pounds is \$2.55.

Hungary

PARCEL POST SERVICE RESUMED

Effective immediately, parcel post service to Hungary is resumed, subject to the following conditions:—

Gift Parcels—The total weight of a parcel must not exceed 11 pounds, and the total value of the contents must not exceed \$25. Parcels cannot be insured. The sending of parcels is limited to private citizens and must not be undertaken by relief organizations and others. The naming of addressees other than the known ultimate addressee for the purpose of evading the limitations of the service is prohibited. No one sender may send more than two parcels per week, each of which must be to different addresses. The parcels are restricted to gifts addressed to private individuals and must not include commercial shipments. The contents are to be listed in detail on the covering Customs declarations.

Senders are advised to endorse the wrapper of each parcel "Gift Parcel".

Attention is particularly directed to the fact that the acceptance of a parcel by the Canadian Post Office does not affect the liability of its contents to customs or other charges in Hungary. Certain articles of value, such as new wearing apparel, may be subject to import restrictions in the country of destination, however, and senders would be well advised in their own interests to ascertain from the addressee whether the articles they intend to send to relatives and friends would be exempt from such restrictions.

Postage rates range from 50 cents for one pound to \$2.65 for 11 pounds (weight limit).

Commercial Shipments—Commercial parcels may also be forwarded to Hungary at the same rates, except that for parcels weighing 11 pounds the postage rate will be \$3.50. Parcels for Hungary are forwarded via the United States and are, therefore, subject to United States regulations, which are as follows: not more than one parcel per week up to the permissible weight limit of 11 pounds is permitted from any one mailer to the same addressee. Parcels cannot be insured.

Many articles may be subject to the production of an import licence in the country of destination, and commercial shippers should ascertain from the addressee under what conditions the articles they intend to forward are admitted, also that all requirements have been complied with both in Canada and at destination.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Order in Council P.C. 1980 of May 17, 1946, effective May 18, 1946, coal and coke (mineral) included in Group 7 (Non-Metallic Minerals and their Products) are added to Schedule 1 of Order in Council P.C. 7674 of October 4, 1941, and exportation is prohibited except under permit issued by or on behalf of the Minister of Trade and Commerce.

Cuba

NEW LEAFLET ON DOCUMENTATION REQUIREMENTS AVAILABLE

When making shipments to Cuba by freight, five copies of the consular in-

voice, on special forms, two copies of the commercial invoice bearing a certificate as to prices and origin, and at least three copies of the bill of lading, two of them non-negotiable, must be submitted to the Cuban Consul for legalization. Exporters should take every precaution to ensure that these documents are drawn up in accordance with the requirements specified under Cuban customs regulations. A new leaflet dealing with these requirements has been issued, and copies are available to interested Canadian exporters on application to the Foreign Tariffs Section, Department of Trade and Commerce, Ottawa.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

57. *Ecuador*—Cesar A. Mora E. y Hno., Casilla 546, Quito, have expressed interest in securing the agency on a commission basis for the following Canadian products: cotton, wool and rayon; men's wool and felt hats; rayon yarn and threads; cotton yarns and threads; sanitary ware; electrical ware (domestic utensils, stoves, materials for installations); hardware; furniture; kitchen utensils; chinaware; cutlery; artisans' and agricultural tools; construction materials; iron bars and sheets; nails; cement, sheet glass; paints and varnishes; lubricants; pharmaceutical products; wallpaper; paper goods; men's, ladies' and children's hosiery; dress ornaments; buttons; buckles; lace; perfumery; toilet preparations; gifts; toys; waterproof clothing. File C.E. 237.

MATERIALS AVAILABLE FROM WAR ASSETS CORPORATION

Following is the first of a number of selected lists of items available to the export market from War Assets Corporation that will be published from time to time in the *Commercial Intelligence Journal*. Inquiries should be addressed to the Corporation, No. 4 Temporary Building, Ottawa.

Magnesium Powder—Approximately 100 tons is offered at 40 cents a pound. The material is located at Trail, B.C.

Sterno Canned Heat and Tripods—142,537 seven-ounce cans are available at 12½ cents a can, also 65,476 tripods at 15 cents each. The seven-ounce cans are larger than the usual domestic size. War Assets Corporation would prefer to dispose of these supplies

in bulk but are prepared to sell a portion to anyone interested.

Winches, suitable for Fishing Trawlers—Twenty-four are available, the asking price being \$4,500 each.

Aircraft Instruments — The instruments available include flowmeters and aero mix-

ture, airspeed and carburator temperature indicators.

Phoenix Nesting Barges—Forty steel nesting barges, sixty feet long, are available at \$5,000 each. They are located at Scarborough Junction, Ontario, crated for export. A railway flatcar will accommodate one barge.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations May 13	Nominal Quotations May 20
Argentina	Peso	Off.	.3282	.3282
		Free	.2685	.2685
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica)	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso	....	.6282	.6282
Cuba	Peso	....	1.1025	1.1025
Czechoslovakia	Koruna	....	.0220	.0220
Denmark	Krone	....	.2296	.2296
Ecuador	Sucre	....	.0816	.0816
Egypt	Pound	....	4.5538	4.5538
Eire	Pound	....	4.4400	4.4400
Fiji	Pound	....	4.0090	4.0090
Finland	Markka	....	.0081	.0081
France and North Africa.....	Franc	....	.0092	.0092
French Empire—African.....	Franc	....	.0157	.0157
French Pacific possessions.....	Franc	....	.0222	.0222
Haiti	Gourde	....	.2205	.2205
Hongkong	Dollar	....	.2775	.2775
Iceland	Krona	....	.1702	.1702
India	Ruppee	....	.3330	.3330
Iraq	Dinar	....	4.4400	4.4400
Italy	Lira	....	.0049	.0049
Jamaica	Pound	....	4.4400	4.4400
Mexico	Peso	....	.2268	.2268
Netherlands	Florin	....	.4153	.4153
Netherlands East Indies	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.5842	.5842
New Zealand	Pound	....	3.5698	3.5698
Norway	Krone	....	.2220	.2220
Palestine	Pound	....	4.4400	4.4400
Peru	Sol	....	.1709	.1709
Philippines	Peso	....	.5512	.5512
Portugal	Escudo	....	.0444	.0444
Siam	Baht	....	.1110	.1110
Spain	Peseta	....	.1009	.1009
Straits Settlements	Dollar	....	.5180	.5180
Sweden	Krona	....	.2627	.2627
Switzerland	Franc	....	.2563	.2563
Turkey	Piastre	....	.0085	.0085
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar	....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division, Industrial Development Division, and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Industrial Development Division.—Continues the Department's work in connection with the establishment of new industries and the study of new products, especially those suitable for export markets.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, *Canadian Government Trade Commissioner*, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Ni.

Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.

Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

PROPOSED REVISION OF UNITED KINGDOM PATENT LAWS

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

The Board of Trade Committee, which is considering the desirability of amendments to the United Kingdom Patents and Designs Acts, submitted to Parliament in April their report on:

1. The initiation, conduct and determination of legal proceedings arising under or out of the Patents and Designs Acts, including the constitution of the appropriate tribunals.
2. The provisions of these Acts for the prevention of the abuse of monopoly rights.

These have been the most debated issues of the existing United Kingdom Patent Law.

Working of Inventions

The Committee point out that the idea that a patentee should be under an obligation to "work his invention," that is to secure manufacture in the United Kingdom, and that, if he failed to do so (either by his own manufacture or by the grant of licences), he abused his patent rights is an idea which, although implicit in the wording of the grant, had no statutory sanction until the Patents Act of 1883.

This principle was further recognized in later amendments to the Act to the extent that, where applications complaining of abuse of monopoly rights are made to the Comptroller of Patents, he has power not only to grant a compulsory licence but ultimately to revoke a patent. In spite of these provisions, allegations have, in fact, been made that patents are used in a restrictive sense or in various ways contrary to the public interest. In particular:

1. the owner of patent rights may fail to make any use at all of the

patented invention, though it has potential uses and though others would be willing to develop and exploit it;

2. an invention may be used to serve only a part of the potential market for the commodity concerned. For example, there may be a potential demand for a cheap model of an article which is being sold at a luxury price, or there may be a potential demand in a foreign market (unprotected by a patent) to which no export is being made;
3. the refusal by a patentee to grant licences under a patent which covers an important new process may frustrate or discourage technical development in the industry concerned;
4. patents may be used to build up a monopolistic position both wider and of longer duration than the monopoly rights conferred by the patents in themselves;
5. restrictive conditions may be attached to licences, for instance compelling the licensee to purchase unpatented materials from the firm controlling the patent, as a condition of using a patented process;
6. patent pools and cross-licensing arrangements may give a group of firms control over a branch of industry, enabling them to exclude or hamper competition from firms outside the group;
7. British patents may be used by foreign firms to prevent production of commodities in this country, so as to preserve the British market for their own exports.

The Committee formed the opinion that the deliberate suppression of inventions is rare and, further, that the part played by patents in creating and maintaining cartels, whether national or international, is easy to over-estimate. Nevertheless, they declare that "it is wrong in principle that a patent should be used to establish a monopoly wider in scope and longer in duration than that conferred by a patent in itself, and it is obviously desirable that the patent law should keep in step with any measures which may be adopted in the future to limit or control monopoly in the public interest."

Cases of the prohibition or discouragement of production in this country of patented commodities in order to preserve the British market for articles made abroad were brought to the notice of the Committee. In some cases licences have been granted by foreign concerns to subsidiary or controlled British firms, ostensibly conferring manufacturing rights but making it a condition that these rights shall not be exercised so long as the British market can be supplied by the imported article. Arrangements of this character made in connection with the importation of pharmaceutical preparations, such as certain German drugs, have been brought to light since the war, and arrangements having a similar effect between British and United States firms for the supply of machinery and equipment are believed to exist.

Proposed Amendments

Of the various proposals made, with a view to discouraging restrictive practices, the one preferred by the Committee is to make some extension of the existing provisions as to compulsory licences so that facilities are given for the granting of such licences in cases where a more extended use of a patent could be made, even if no actual abuse of patent rights has taken place.

The considerations to which the Comptroller should have regard in determining whether to grant a licence or not and in settling the terms of any

licence granted should, in the view of the Committee, comprise the following:

1. the importance of securing the fullest possible working of the invention for use in the United Kingdom and for supplying markets abroad, consistently with the fair treatment of existing licensees and others already engaged in working or developing the invention under the protection of the patent in the United Kingdom;
2. the provision of a reasonable remuneration to the inventor or other person beneficially entitled to the patent, having regard to the nature of the invention;
3. the special desirability of making food, medicine and surgical or curative devices available to the public at the lowest possible price;
4. the ability of the applicant to work the invention to the public advantage;
5. the measures already taken by the patentee and any licensee to make full use of the invention;
6. the risks to be undertaken by the applicant in providing capital and working the invention if the licence is granted.

Patent Litigation

The complaints and criticisms which have been directed against the present method of dealing with patent actions convinced the Committee that there is a universal feeling of dissatisfaction. The commonest and most familiar ground of complaint is the high cost of patent litigation. There is also a very general lack of confidence in the adequacy of the tribunal before which these patent cases come and a feeling that the judges charged with the task of deciding patent actions have not the necessary scientific or technical knowledge or experience to assess the value of expert evidence or arrive at sound conclusions where the invention involves the discussion of highly complex scientific matters.

It is recommended that two special judges possessing the technical or scientific qualifications and experience needed in patent litigation should be appointed to hear all patent actions and, further, that scientific assistance should be available for consultation with the judge in patent actions.

As regards infringement actions, the Committee suggest that the Comptroller of Patents should be authorized to try cases, provided the parties agree to submit the matters in dispute to his decision. Such procedure would be simpler and less expensive than an action in the High Court.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed. Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will shortly re-open at Rome (territory includes Malta) the office formerly located at Milan; Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will shortly open a new office at Leopoldville, Belgian Congo (territory includes Tanganyika, Kenya, Uganda, and Angola); Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales); and Mr. S. V. Allen, formerly Commercial Secretary at Washington, who is being transferred to Cape Town, South Africa (territory includes Cape Province and South-West Africa, Natal, Mauritius, and Madagascar).

Their itineraries as at present arranged are as follows:—

Mr. Manion

Toronto and district—June 3 to 8 and 10 to 13.
St. Catharines, Thorold and Niagara Falls—June 14.
Welland and Fort Erie—June 15.
Hamilton (including Brantford)—June 17 to 19.

Kitchener and Galt—June 20.
Guelph—June 21.
Ottawa—June 24 and 25.
Fort William—June 27.
Winnipeg—June 28 and 29.
Vancouver—July 2 to 6.

Mr. Ausman

Montreal—June 3 and 4.
Brockville—June 4 and 5.
Toronto—June 6 to 22.
(Oshawa—June 8.)
Hamilton—June 24 and 25.
Brantford—June 26.
Windsor—June 27.
Welland—June 28.

Mr. Allen

Calgary—June 3 and 4.
Edmonton—June 5.

Mr. Vechsler

Kitchener and district—June 3 to 5.
Windsor—June 6 and 7.
Toronto—June 10 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Montreal, with the Montreal Board of Trade; for Vancouver, Edmonton, Winnipeg, and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

NEW ZEALAND TRADE IN JANUARY

By P. V. McLANE, *Canadian Trade Commissioner at Auckland*

New Zealand had a high level of exports during January, 1946, the total value for the month being £10,017,634 as compared with £4,728,363 for January, 1945. However, the low figure reached in January last year may be attributed mainly to the difficult shipping situation. The value of imports during January last amounted to £4,087,844 as against £4,766,116 for January, 1945.

Table 1 shows the principal destinations of exports and also the main sources of supply of imports during the month.

the overseas funds of the Government, which was one of the original aims of import control. However, in view of the fact that it is the announced policy of the Government to buy as much in the United Kingdom as is sold there, allowing, of course, for the payment of interest on loans, dividends and shipping charges, it would appear that the main problem has been the shortage of exportable goods in the United Kingdom. This was borne out by a recent report by the New Zealand Commissioner of Supply, who has been in the United Kingdom for some weeks studying the supply situation.

TABLE 1

New Zealand Foreign Trade in January, 1946

	Exports £ (N.Z.)	Imports £ (N.Z.)	Excess of Exports (+) or Imports (—) £ (N.Z.)
United Kingdom	6,173,641	1,789,359	+4,384,282
United States	394,883	699,981	— 305,098
Australia	232,616	443,027	— 210,411
Canada	156,857	462,450	— 305,593
India	2,145,036	78,728	+2,066,308
France	406,928	8	+ 406,920
Egypt	268,840	.....	+ 268,840
Ceylon	42,274	75,239	— 32,965
Total, all countries	£10,017,634	\$4,087,844	£5,929,790

It will be noted that there was an excess of exports over imports during January of £5,929,790. For the twelve months ending January 31, 1946, this excess amounted to £25,945,000. This sum has naturally added greatly to

Export Trade

The principal items of export making up the January figure of £10,017,634, with the corresponding figures for January, 1945, are shown in Table 2.

TABLE 2

New Zealand Exports by Principal Commodities

	January, 1946 £ (N.Z.)	January, 1945 £ (N.Z.)
Butter	2,569,911	980,009
Cheese	960,455	1,629,792
Meats, frozen—		
Beef	356,645	27,875
Lamb (whole carcasses)	589,402	222,072
Mutton (whole carcasses)	36,715	42,087
Pork	128,479	57,622
Meats—		
Canned	93,273	32,431
Sausage casings	73,155	34,812
Milk, dried	117,697	89,993
Milk and cream, preserved, condensed, etc.	30,983	1,387
Peas	84,445	28,487

	January, 1946 £(N.Z.)	January, 1945 £(N.Z.)
Hides, skins, etc., undressed—		
Calf	33,411	26,330
Cattle	44,435	36,378
Opossum	36,787	95,543
Rabbit	73,596	115,200
Sheep, with wool	24,124	23,681
Sheep, without wool	8,853	65,629
Wool	1,752,988	355,488
Seeds—		
Clover	124,774	89,131
Grass	86,098	71,806
Tallow	15,426	19,089
Total	£10,017,634	£ 4,728,363

Many of these export items are under contract to the United Kingdom Government or are controlled by the New Zealand Marketing Board. While a number of these commodities are competitive with Canadian products, many of them, such as sausage casings, peas, hides of all kinds, wool, seeds, and tallow, will, it is hoped, find an ever-increasing sale in Canada. The pre-

dominantly agricultural complexion of New Zealand's export trade is apparent from Table 2.

Import Trade

The principal items which made up the January import total of £4,087,844 and which are of interest to Canada are, with comparative figures for January, 1945, shown in Table 3.

TABLE 3
New Zealand Imports by Principal Commodities

	January, 1946 £(N.Z.)	January, 1945 £(N.Z.)
Wood-pulp and paper-pulp	32,159	91,007
Hats, caps, millinery, and materials therefor	13,202	18,061
Hosiery	28,235	11,280
Apparel and ready-made clothing	11,510	16,889
Footwear	7,385	6,957
Floor-coverings	45,155	29,785
Cotton and linen piece-goods	304,618	395,697
Leather-cloth and oil baize	6,446	10,646
Silk, and artificial silk piece-goods	196,616	236,731
Woollen piece-goods	92,557	135,587
Yarns	71,673	118,721
Iron and steel—		
Bar, bolt, and rod	20,186	29,596
Bolts and nuts	5,826	7,552
Brass pipes, plate, bar, etc.	9,464	11,046
Copper pipes, plate, bar, etc.	12,250	14,296
Cordage of metal	3,181	10,542
Tubes, pipes, and fittings	83,747	31,576
Meters, measuring, etc.; appliances	18,628	21,610
Nails and tacks	2,264	2,697
Screws for wood and metal threaded screws, etc.	4,475	5,457
Tools and implements, artificers'	37,785	47,964
Copper wire	2,764	279
Fencing wire, plain	1,634	1,390
Hardware, cutlery, and metal manufactures	56,474	28,969
Agricultural implements and machinery	30,133	42,885
Electrical machinery and equipment	183,880	230,329
Belts and belting for driving machinery, other than leather belting	13,242	11,544
Raw rubber and rubber goods, other than tires	21,496	18,186
Leather	14,870	12,334
Timber, sawn	21,204	20,132
Cardboard and wallboard	26,577	3,017
Paperhangings	6,036	1,102
Printing paper, newsprint	61,114	25,345
Printing paper, other	39,390	61,250
Sporting, etc., requisites	5,469	1,700
Salt	13,190	17,959
Motor vehicles	174,420	22,745
Rubber tires for motor vehicles and motorcycles	54,396	59,555
Other materials and parts for motor vehicles	32,979	32,126
Total	£4,087,844	£4,766,116

Imports into New Zealand have been under control since 1939, when import control regulations were established in order to prevent the depletion of New Zealand's overseas sterling balances. When the Import Licensing Schedule for 1946 was announced, it was explained that, while sterling funds in London were fairly large, it would be necessary to draw heavily on them, not only in respect of overseas debts but also in respect of essential imports. Heavy imports of machinery would be needed to replace obsolete equipment, to equip new industries and to provide for developments of existing industries. Large amounts of raw materials, transportation equipment, hydro-electrical equipment and essential consumer goods would also require large expenditures.

Maintenance of control of the use of overseas funds was therefore still necessary, and funds could not be provided for non-essential goods or those which could be supplied satisfactorily from domestic production. The policy of obtaining the maximum possible supplies from the United Kingdom would be continued, whereas the problem of obtaining imports from the non-sterling areas was being given serious consideration. Since the beginning of the year import licences have been issued on a large number of commodities procurable only in Canada and other hard-currency areas. However, the whole dollar question remains unsolved and, until it is settled, imports from Canada into New Zealand are handicapped.

NEW FIVE YEAR PLAN FOR THE SOVIET UNION TIMBER INDUSTRY

Contributed by the European Section of the Foreign Trade Service

The fulfilment of the Soviet Union's new plan for timber will involve a radical reorganization and rationalization of the entire industry, together with the establishment of a new geographical relationship between sources of supply and areas of consumption, dictated by the need for an economical use of transport facilities.

Emphasis on Lumber for Construction

In the previous Five Year Plan, interrupted by the war, the emphasis was on an increase in the capacity of the paper industry; in the new Plan the first emphasis is on lumber for the building trade. It is laid down that by 1950 the felling of trade timber shall increase by 59 per cent and the output of sawn timber by 14 per cent over the pre-war levels. Sawmills with a capacity of 6,000,000 cubic metres, plants with an output of 300,000 metres of plywood and with an output of 7,500 million boxes of matches shall be put into operation. The wood-working

industry, especially the production of furniture, is to be restored.

The accomplishment of these objectives, states the decree for the Plan, demands a great increase in the timber-felling areas "chiefly where the timber can be brought out for floating". It is to the plans for the development and reorganization of water transport that one must look for information concerning future timber operations in the Soviet Union. The role of inland water transport in the Five Year Plan, in relation to the development of the timber industry, is one that can readily be appreciated by Canadians.

Proposed Change in Export Areas

In the past the Archangel Oblast, the total wooded area of which is well over 69 million acres, has always been the largest source of lumber products. During the war years the timber enterprises of this oblast prepared and shipped more than 22 million cubic metres of lumber. Despite the productive capacity of this area and other less

developed reserves of the European U.S.S.R., before the war the European part of the Soviet Union had to bring in over two million tons of timber by rail from the Urals and Siberia. It is now realized that it would be more economical to abandon the movement of timber from Siberia, which would require a considerably larger local use of European timber. Consequently it is proposed that the European districts of the Soviet Union be released to the greatest possible extent from exporting timber. Timber for export should come mainly from the reserves of the basin of the Yenissei and its great southern tributary the Angara. The Yenissei lies at the latitude of the Mackenzie River in Canada. In the southern part of this basin, and especially along the Angara, are excellent stands of commercial pine, but adverse conditions in the north reduce the trees to less than a foot in diameter. These forests are so vast that only preliminary surveys have been possible, but estimates in the area of the Yenissei proper run to 167 billion board feet of lumber. Conifer reserves along the Angara are reputed to be three times this figure.

Raw timber from this huge Yenissei reserve can be floated to the sawmills of Igarka, which provides a sheltered anchorage where cargoes can be transferred to ocean vessels. This new city, the population of which grew from one house and three people in 1929 to 15,000 in 1937, lies the same distance beyond the Arctic Circle as Aklavik and has the largest sawmills east of the Urals. During the two-month navigation season when the Kara Sea is open, Igarka in 1937 exported 90 million board feet of lumber to England, Holland, Germany and southeast Africa. The further development of the timber export trade in this area will require more extensive cutting operations and an enlargement of the capacity of its sawmills, both of which have apparently been adequately provided for in the total figures of increase for the Soviet Union laid down in the new Five Year Plan.

Development of the export of timber from Siberia will not only release the

timber reserves of the hitherto exploited areas of the European Soviet Union but will allow for the future exploitation of the reserves of the Pechora and Dvina for use in the European region. Timber-cutting operations must be distributed with a view to using water transport routes to the greatest possible extent. Transportation experts state definitely that railway transportation of timber from the Urals and Siberia to the central districts of the country must be absolutely prohibited. It is suggested that North Ural timber should be sent by rail for a distance of 500 to 700 kilometres, as far as Molotov, whence it can be floated down the Kama and the Volga to the southern districts.

Water Transport to be Adopted

Rationalization of timber transport requires that all the districts of the eastern Donetz basin, North Caucasus and Trans-Caucasus should get their timber from the Kama, Volga and Vyatka basins. This will require immediate steps for the restoration of sawmills in Stalingrad and Astrakan. The Trans-Caucasus can be best supplied by towing timber rafts across the Caspian sea, as was formerly done on the White Sea before the war. This will release the railways from a heavy burden of difficult timber transportation over very long distances. Wartime practice has shown that round timber and firewood can easily be floated in rafts from the upper Volga and the Moscow-Volga canal to Moscow. In 1944 almost two million cubic metres of firewood were shipped to Moscow in this way. Further, the much mooted Saratov gas-pipe line to Moscow will reduce the consumption of firewood in the capital to between three and four million cubic metres a year. Consequently, if increasing emphasis is put on water transport, the railways will be in the main released from freighting firewood to the capital. Building timber for Moscow can be obtained mainly from the upper Volga, the Rybinsk water-basin and the basins of the Shenksna, Lake Belyi and the Oka River.

The transportation of the supply of timber for the Ukraine is a problem less easy of solution and cannot be fully solved even by using the forests of White Russia to a maximum extent, owing to the great amount of timber necessary for restoration work. Besides increasing the shipment of timber by water from White Russia, arrangements will have to be made for the transportation of timber from Karelia to the Ukraine. An answer to the increase in the supply of timber for the Urals and Siberia must be found in the use of virgin forests and the development of local water routes hitherto unexploited, which implies a heavy increase in the now inadequate river fleet of the Ob and Irtysh basins together with the development of local sawmills. Previously large quantities of round timber from the Ob and Irtysh basins have been shipped up river to Novosibirsk, Omsk and Tomsk, because of the uneconomical distribution of sawmills.

In order to convey ever-increasing quantities of cut timber to the waterways, the new Plan provides for the construction of thousands of kilometres of timber transport roads, including over 6,000 kilometres of narrow-gauge railway, mainly in the northern and northwest regions of the Urals (Kama basin). The rational use of substitute fuels is to be carried to its logical extreme in connection with the lumber industry, for the Plan provides that, by the end of the five-year period, no less than 70 per cent of the trucks and tractors for hauling timber shall be converted to use wood fuel.

Mechanization of the Industry

There is a heavy emphasis in the Plan on the over-all conversion of the timber trade from an industry in which hand labour predominates into a highly developed mechanized industry with a permanent staff of skilled workers. It is clear that drastic measures are necessary if the output of raw timber is to keep pace with the demands of the sawmills, especially in the areas where the industry has been long

established. It has been revealed that even in pre-war years the Archangel sawmills had begun to reduce production. This decrease in output became even more pronounced during the war. In an effort to supply the mills with more timber, at the end of 1943 the Chief Administration of the Northern Lumber Industry of the U.S.S.R. was formed. During the winter of 1944, however, many sawmills were required to close for lack of timber. According to *Pravda*, the mills were even more inadequately supplied during 1945, and they will be again without timber before the opening of the 1946 supply season. The Plan provides that 75 per cent of the total work of felling timber and hauling it to the roads and 55 per cent of the transport of timber, including loading facilities, shall be mechanized. It is anticipated that this should almost double labour productivity in the industry in the next five years.

A direct effect of the war is apparent in the poor quality of timber produced for various purposes. The prolonged occupation of the Donetz basin made necessary the substitution of wood for coal as fuel in industry, private heating and especially in railway transport. The industrial co-operative organized to supply timber for the furniture industry, for example, has used almost 75 per cent of its timber stocks for firewood. Such a situation has led inevitably to a decline in the quality of the timber produced and to less care in grading. The present need for timber for construction purposes demands an improvement in the quality of the lumber output.

Reforestation

The restoration of the 3,250,000 acres of forests destroyed during the war, particularly those of the Ukraine, will necessitate a major program of reforestation which is already under way. According to the chief of the Central Forestry Administration of the U.S.S.R., coniferous and deciduous trees were planted in 1946 over an area of 140,000 acres in the R.S.F.S.R., the

Ukraine and White Russia. By gradually increasing the area of new forests, it is expected that 500,000 acres of woodland will be planted by 1948. Within the next five years it is anticipated that two and a half billion saplings will be ready for transplanting. Firs, pines and oaks are the principal varieties of trees to be cultivated. For the first time larch, which provides excellent wood for the construction of

sluices, dams and other hydraulic engineering works, will be grown on a large scale in the European section of the country. It has been decided to create large plantations of "beresklet", a shrub used in the production of gutta-percha, while in the Ukraine and the Crimea walnut trees, already acclimatized, will be grown as well as a species of tree from the Amur, from the roots of which cork is obtained.

CANADA'S EXPORT TRADE IN APRIL

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's exports in April by principal countries

and commodities; a summary statement based on these figures was published in last week's issue (No. 2208) of the *Commercial Intelligence Journal*:

Exports by Principal Countries

	Month of April		Four Months ended April	
	1945	1946	1945	1946
Total exports	312,322,645	178,488,006	1,080,360,034	699,098,065
British Empire	157,325,820	58,971,354	533,439,667	259,748,623
United Kingdom	109,090,774	40,974,210	368,573,613	180,556,713
Eire	285,758	86,964	2,348,028	2,239,079
Aden	44,308	2,132	89,012	51,376
Africa—				
British East	91,015	277,474	1,192,778	649,589
British South	2,398,561	3,408,677	9,876,668	12,615,324
Southern Rhodesia	138,404	223,198	664,020	955,324
British West—				
Gambia	4,176	7,450	15,199	21,713
Gold Coast	40,267	73,215	187,367	298,506
Nigeria	23,660	90,392	86,058	262,530
Sierra Leone	66,692	64,510	149,149	156,278
Bermuda	211,108	240,852	952,147	892,400
British East Indies—				
British India	29,138,161	2,301,469	101,170,687	22,869,666
Burma .....	.....	125,443	.....	293,221
Ceylon	327,164	118,782	2,103,037	682,181
Straits Settlements .....	.....	432,260	.....	881,290
Other British East Indies..	.....	1,655	.....	44,828
British Guiana	854,078	383,370	2,235,387	1,818,743
British Honduras	6,785	119,041	201,177	361,604
British Sudan	7,614	41,536	44,101	60,041
British West Indies—				
Barbados	373,761	445,072	951,386	1,553,967
Jamaica	1,472,889	1,104,983	4,730,267	2,817,235
Trinidad and Tobago	2,223,429	808,784	5,693,956	3,895,098
Other British West Indies..	579,352	498,776	1,884,741	1,806,686
Falkland Islands	376	.....	7,842	1,572
Gibraltar	1,785	74,244	14,828	121,914
Hong Kong .....	.....	495,987	.....	788,157
Malta	111,745	621,972	1,640,128	1,216,980
Newfoundland	3,016,668	2,012,773	11,307,414	8,250,040
Oceania—				
Australia	5,761,496	1,721,532	11,653,600	8,084,626
Fiji	8,201	11,467	23,019	108,722
New Zealand	925,899	1,835,078	4,927,850	4,254,962
Other British Oceania	644	127	39,005	7,617
Palestine	121,050	367,929	677,182	1,130,641
Foreign countries	154,996,825	119,516,652	546,920,367	439,349,442
Abyssinia .....	.....	441	2,628	3,296
Afghanistan .....	.....	395	.....	1,092
Albania .....	.....	45,265	.....	49,830
Argentina	484,221	948,025	1,542,345	3,478,625
Austria .....	.....	15,165	.....	708,549

Exports by Principal Countries—Conc.

Foreign countries—Con.	Month of April		Four Months ended April	
	1945	1946	1945	1946
Belgium	269,790	5,387,342	1,011,455	23,539,445
Belgian Congo	53,825	94,889	178,310	453,176
Bolivia	47,999	68,988	94,225	192,962
Brazil	1,012,807	1,713,927	2,801,317	7,313,585
Chile	191,286	269,551	612,413	1,200,632
China	974	2,017,112	22,909	7,362,832
Colombia	332,049	891,494	1,009,546	2,804,450
Costa Rica	31,815	125,799	110,310	414,018
Cuba	362,616	395,498	1,507,018	1,921,234
Czechoslovakia	155,061	3,279,561	407,063	5,610,080
Denmark .....	.....	373,327	.....	695,620
Greenland	22,744	.....	536,142	19,019
Ecuador	36,035	49,592	77,782	198,169
Egypt	4,410,633	2,226,446	17,483,127	4,711,929
Finland .....	.....	1,629	.....	146,777
France	8,500,625	7,584,976	21,195,835	26,822,262
French Africa	1,106,585	596,355	5,013,541	7,679,795
French East Indies .....	.....	5,857	.....	23,087
French Guiana	6,080	3,359	10,742	27,951
French Oceania	23,091	5,339	45,461	38,256
French West Indies	2,373	272,071	11,213	317,499
Madagascar	354	36,780	7,567	99,534
St. Pierre and Miquelon	51,765	27,647	173,450	194,248
Germany .....	.....	620,674	.....	2,344,883
Greece	1,388,598	1,644,656	3,034,806	2,195,679
Guatemala	26,611	170,393	96,785	360,961
Haiti (Republic of)	90,402	108,287	188,749	344,240
Honduras	18,492	192,930	34,984	286,260
Hungary .....	.....	4,111	.....	12,910
Iceland	161,505	57,132	1,029,074	614,090
Iraq	153,679	807,922	586,608	1,076,069
Italy	14,731,429	2,816,515	61,022,684	5,573,308
Liberia	9,881	3,330	20,688	18,545
Mexico	605,650	690,822	2,467,012	2,943,497
Morocco	45,330	2,880	180,664	836,113
Netherlands	271,808	1,711,550	486,645	14,971,572
Netherlands East Indies .....	.....	1,276,791	.....	3,397,689
Netherlands Guiana	9,118	36,935	32,910	90,965
Netherlands West Indies	74,495	179,479	223,370	385,088
Nicaragua	13,168	20,091	109,133	69,615
Norway .....	.....	1,200,596	.....	6,925,837
Panama	113,945	107,148	267,034	500,485
Paraguay	3,458	6,408	14,915	27,893
Persia	486,908	102,581	644,612	238,199
Peru	135,618	208,440	646,170	1,009,368
Poland	466,966	2,630,935	1,808,638	7,086,572
Portugal	31,991	185,205	167,430	1,102,826
Azores and Madeira	9,844	14,517	10,086	24,508
Portuguese Africa	78,066	280,572	616,746	613,314
Russia (U.S.S.R.)	6,223,028	203,615	19,860,048	13,256,446
Salvador	80,178	27,407	153,994	157,827
San Domingo	69,509	149,749	204,318	428,360
Siam .....	.....	1,650	.....	1,650
Spain	144,884	11,544	544,705	38,041
Canary Islands .....	.....	52,904	.....	88,168
Sweden .....	.....	282,254	.....	1,865,519
Switzerland	1,549,413	458,532	5,076,314	1,535,266
Syria	12,697	10,372	23,757	82,208
Turkey	106,099	236,987	242,825	580,950
United States	109,121,234	71,399,250	388,685,729	257,749,996
Alaska	10,442	11,853	35,712	53,196
American Virgin Islands	3,485	9,152	8,629	28,850
Guam .....	.....	125	1,926	2,773
Hawaii	410,022	294,758	1,445,750	1,285,001
Philippine Islands .....	.....	1,099,692	.....	2,445,730
Puerto Rico	289,641	163,416	865,023	1,092,778
Uruguay	223,927	186,991	458,867	719,640
Venezuela	317,192	881,829	943,232	4,737,022
Yugoslavia	400,500	2,514,788	811,451	4,105,814

Exports by Principal Commodities

	Month of April		Four months ended April	
	1945	1946 Thousands of	1945 Dollars	1946
Total domestic exports*	312,323	178,488	1,080,360	699,098
Agricultural and vegetable products	60,618	46,436	161,296	178,986
Fruits	776	113	3,963	1,290
Fruits, fresh	88	11	2,159	771
Apples, fresh	61	....	1,994	697
Fruits, dried	431	1	867	25
Apples, dried	431	1	867	3
Fruits, canned	78	42	334	226
Fruit juices and fruit syrups.....	179	58	603	267
Nuts	25	1	73	12
Vegetables	2,213	851	9,480	4,655
Vegetables, fresh	1,348	194	5,562	1,323
Potatoes (except seed)	1,260	72	4,410	310
Vegetables, dried	455	482	2,905	1,389
Vegetables, canned	281	119	712	1,738
Pickles, sauces and catsups	129	56	301	206
Grains	33,651	22,440	72,096	89,825
Barley	5,652	6	6,776	80
Wheat	20,591	21,236	49,433	84,360
Milled products	9,832	12,311	33,102	39,638
Flour of wheat	9,225	11,936	29,855	37,871
Prepared foods and bakery products.....	196	182	670	623
Biscuits and bread	125	12	322	45
Cereal foods, prepared	34	59	221	279
Farinaceous products, other	351	636	1,118	2,093
Vegetable fats, edible	101	122	409	497
Sugar and products	800	126	2,387	471
Sugar (refined)	7	1	169	29
Vegetable products, other, mainly food.....	206	168	756	789
Beverages, alcoholic	2,424	2,987	9,584	12,067
Ale, beer and porter	564	237	2,016	1,187
Beverages, distilled	1,858	2,746	7,527	10,865
Whisky	1,809	2,618	7,208	10,252
Wines	1	4	41	15
Oils, vegetable, not edible	295	308	553	1,387
Linseed and flaxseed oil	291	298	514	1,264
Plants, shrubs, trees and vines	18	61	36	122
Rubber	4,117	2,226	10,903	7,196
Pneumatic tire casings	2,548	831	5,557	2,495
Inner tubes	225	97	488	353
Seeds	3,278	1,313	9,285	7,875
Seed potatoes	733	311	2,947	2,276
Tobacco	1,580	879	3,878	3,718
Tobacco, unmanufactured	1,421	832	3,430	3,485
Vegetable products, other, not food.....	753	1,706	2,985	6,662
Hay	16	243	43	1,507
Animals and animal products	34,798	24,146	130,361	119,612
Animals, living	1,751	1,634	4,281	4,869
Cattle (except for stock)	602	776	1,525	2,506
Bones, horns and hoofs	27	25	117	104
Fish and fishery products, n.o.p.....	6,006	5,205	20,219	23,982
Fish, fresh and frozen	2,962	2,549	11,087	11,632
Fish, dried, salted, pickled, smoked.....	1,027	859	3,374	3,482
Fish, canned or preserved	2,010	1,781	5,712	8,766
Furs	1,945	3,551	11,037	16,471
Undressed furs	1,857	3,418	10,675	15,855
Hair and bristles	76	75	308	428
Hides and skins, raw	46	202	80	841
Leather, unmanufactured	388	518	1,245	1,877
Leather, manufactured	296	484	1,021	2,050
Meats	14,584	9,333	63,570	50,365
Bacon, hams, shoulders, sides	8,126	3,164	38,924	20,315
Milk and products	1,552	686	7,641	5,633
Butter	206	76	668	457
Cheese	506	80	4,105	3,214
Animal oils, fats, greases and wax.....	551	153	2,122	883
Animal products, other	7,576	2,281	18,721	12,108
Eggs in the shell	3,682	1,734	8,089	6,576
Eggs, processed	3,567	354	9,648	4,626
Fibres, textiles and textile products	7,401	5,827	25,056	18,455
Cotton	1,249	722	4,773	3,649
Cotton fabrics	911	268	2,087	1,602

Exports by Principal Commodities—Con.

	Month of April		Four months ended April	
	1945	1946	1945	1946
Fibres, textiles and textile products— <i>Con.</i>	Thousands of		Dollars	
Flax, hemp and jute	157	498	626	1,095
Fibre and tow	123	357	532	820
Wool	3,523	2,286	8,171	7,534
Wool, raw	342	65	1,418	742
Artificial silk	1,312	385	3,479	1,767
Fabrics, artificial silk	194	178	616	612
Fibres and textiles, other	1,161	1,937	8,006	4,410
Wood, wood products and paper	37,018	46,373	141,070	173,184
Wood, unmanufactured	11,076	13,586	45,657	50,847
Logs	131	231	709	904
Planks and boards	6,500	7,610	26,992	29,639
Timber, square	22	112	212	258
Shingles	615	1,012	2,653	3,113
Pulpwood	891	1,305	5,103	7,141
Wood, manufactured	8,686	9,934	34,109	37,823
Wood-pulp	8,262	9,284	32,646	35,164
Paper	16,737	22,325	59,750	82,616
Newsprint paper	14,819	20,999	52,112	76,514
Books and printed matter	518	527	1,554	1,898
Iron and its products	68,419	18,939	246,081	74,670
Ferro-alloys	1,502	659	5,380	2,895
Pigs, ingots, blooms, billets	236	362	817	1,764
Scrap iron	25	12	113	99
Castings and forgings	559	261	3,700	613
Rolling-mill products	1,056	415	3,906	2,812
Pipes, tubes and fittings	225	90	1,018	557
Wire	162	37	926	314
Chains	12	22	43	90
Engines and boilers	1,723	1,862	5,389	12,304
Farm implements and machinery	1,795	4,466	5,832	10,650
Hardware and cutlery	407	319	1,280	1,179
Machinery (except agricultural)	1,917	970	7,911	3,753
Stamped and coated products	30	26	106	108
Tools	68	69	516	312
Vehicles, chiefly of iron	43,688	8,889	156,886	35,818
Automobiles, freight	27,355	3,799	97,795	17,422
Automobiles, passenger .....	...	326	11	373
Automobile parts	12,429	1,889	44,826	7,679
Iron products, other	14,917	483	52,160	1,400
Non-ferrous metals and their products	36,426	21,849	142,050	67,907
Aluminium	13,055	2,679	60,234	6,732
Bars, blocks, ingots, blooms	11,788	2,101	55,678	4,466
Brass	606	275	2,039	953
Bars, ingots, rods, strips, sheets, plates... ..	497	94	1,503	277
Copper	3,147	2,851	13,493	12,339
Ingots, bars, cakes, slabs, billets	2,510	2,403	10,727	10,195
Rods, strips, sheets, plates, tubing	13	151	613	690
Lead	557	1,949	1,374	5,995
Nickel	5,424	8,413	22,848	18,239
Precious metals, except gold	1,911	1,542	5,993	4,531
Zinc	1,736	2,507	6,435	9,891
Clocks and watches	113	68	203	364
Electrical apparatus	8,895	1,025	26,344	6,707
Radio and wireless apparatus	6,046	437	16,934	4,607
Non-ferrous metals, other	979	537	3,078	2,152
Cobalt alloys	319	6	608	27
Cadmium	24	62	98	209
Selenium and salts	52	111	184	408
Non-metallic minerals and their products	4,785	3,856	17,574	14,324
Asbestos	2,465	1,581	7,686	6,176
Asbestos milled fibres	1,770	1,030	5,364	4,223
Clay and products	44	83	143	207
Porcelain insulators	19	45	79	111
Coal and products	563	450	2,376	1,876
Coal	452	355	1,790	1,307
Coke	76	56	281	212
Glass and glassware	45	146	143	472
Graphite	13	11	35	49
Mica and products	14	16	115	98
Petroleum products	179	75	1,792	721
Gasoline	90	42	1,124	130

	Month of April		Four months ended April	
	1945	1946 Thousands of Dollars	1945	1946
Non-metallic minerals— <i>Con.</i>				
Stone and products	1,288	1,286	4,724	4,070
Abrasives, artificial, crude	1,130	1,107	4,264	3,505
Non-metallic minerals, other	176	206	559	655
Carbon and graphite electrodes	60	57	105	129
Chemicals and allied products	12,685	5,577	44,298	22,028
Acids	342	165	1,027	652
Alcohols,—industrial	1,333	37	2,421	53
Cellulose products	6	6	30	63
Toilet preparations	109	42	405	214
Medicinal and proprietary preparations	978	434	1,955	1,463
Explosives	4,766	....	14,884	29
Fertilizers	2,170	2,536	9,868	11,529
Paints and varnishes	279	241	1,184	1,070
Soap	293	415	475	865
Inorganic chemicals, n.o.p.	1,143	732	4,554	2,849
Calcium compounds	209	263	1,174	1,219
Soda and sodium compounds	537	363	2,100	1,291
Chemical products, other	1,266	969	7,094	3,241
Miscellaneous commodities	50,171	5,484	172,573	29,932
Amusement and sporting goods, n.o.p.	111	81	292	258
Brushes	133	61	267	288
Containers, n.o.p.	116	198	288	672
Household and personal equipment, n.o.p.	293	353	995	1,387
Pens, pencils and parts	110	89	317	343
Refrigerators, electric	3	1	4	7
Mineral and aerated waters .....	....	13	1	40
Musical instruments	21	6	40	42
Scientific and educational equipment.	1,309	222	5,233	973
Films	121	181	843	832
Ships and vessels	1,383	1,059	3,343	4,177
Vehicles, n.o.p., chiefly aircraft	10,992	855	50,740	3,448
Paintings	2	3	6	10
Miscellaneous commodities, other	35,812	2,634	111,369	18,636
Cartridges	30,896	18	94,849	62
Electrical energy	606	593	2,040	2,481

* April totals include exports of items mainly for war purposes such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores valued at \$262,000 in April, 1946, and \$147,369,000 in April, 1945, the percentage of war materials in other items cannot be ascertained.

ECONOMIC, TRADE AND PRODUCTION NOTES

New Zealand

PRODUCTION OF LINSEED OIL

Mr. P. V. McLane, Canadian Trade Commissioner at Auckland, reports that the Dominion Industries Limited, Linseed Oil Division, is rapidly bringing to completion a new linseed-oil factory. This will consist of an up-to-date plant capable of producing one million gallons of linseed oil a year, and it is expected that it will be in full production by June 1. This will be the only factory of its kind in New Zealand, and there is provision for equipment which will eventually raise production to one and one-half million gallons a year.

In view of the fact that imports before the war ran between 600 thousand and 850 thousand gallons per year, principally from the United King-

dom, it is expected that New Zealand will now be able to take care of the whole domestic demand. If production is stepped up, there will be a surplus for export.

United Kingdom

FUTURE OF THE STEEL INDUSTRY

Mr. A. E. Bryan, Chief Canadian Trade Commissioner in the United Kingdom, writes that the Government has been giving consideration to the future of the local steel industry in the light of the improvements required to put the industry on an efficient operating basis.

As a result, the Ministry of Supply has announced that it has been decided that the position of the industry and its importance in the national economy necessitate a large measure of public

ownership. Legislation for this purpose is to be prepared.

In the meanwhile immediate discussions will take place to ensure that urgent modernization and development schemes are carried through without delay. For this period it is proposed to establish a Control Board, to replace the existing Iron and Steel Control, to supervise the industry. The Board

will pay special attention, in consultation with the industry, to facilitating the early execution of the urgent development schemes.

The Board will also act as advisers to the Ministry of Supply on questions arising in the preparation of the scheme of nationalization, including the definition of the sections of the industry to be taken into public ownership.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS AMENDED

By Export Permit Branch Order No. 143, effective May 23, 1946, the following changes have been made affecting commodities in Group 8 (Chemicals and Allied Products) of the schedule of commodities for which export permits are required:—

1. The unlimited exemption previously established for exports of the following commodities to St. Pierre and Miquelon, Newfoundland, or the British West Indies is modified, so that an export permit will be required for shipments thereto valued in excess of \$25: calcium cyanamide and products containing calcium cyanamide; nitrates; and potassium salts and compounds.

2. The unlimited exemption previously established for exports of the following product to St. Pierre and Miquelon, the United States or to any part of the British Empire is modified, so that an export permit will be required for shipments thereto valued in excess of \$25: ammonia and ammonium compounds, other than ammonium sulphate.

3. The unlimited exemption previously established for exports of the following commodities to Newfoundland is modified, so that an export permit will be required for shipments thereto valued in excess of \$25: ammonium sulphate; and fertilizers of every kind and analysis, other than ammonium sulphate.

4. Group 8 of the schedule of commodities is further amended by listing the specific classifications of fertilizers, as follows:

Fertilizers of every kind and analysis: ammonia gas, hydrous or anhydrous; ammonia solutions; ammonium nitrate; ammonium phosphates; ammonium sulphate; calcium cyanamide and products containing calcium cyanamide; muriate of potash; potassium manure salts; potassium nitrate; sodium nitrate; sulphate of potash; sulphate of potash-magnesia; superphosphates.

Union of South Africa

PETROLEUM PRODUCTS EXEMPT FROM MARKING REGULATIONS

A Union of South Africa Government Notice of May 3 exempts from September 1, 1946, to August 31, 1948, all petroleum products from the operation of Sections 8 and 9 of the Merchandise Marks Act.

The operation of these sections was reported in *Commercial Intelligence Journal* No. 2200 (March 30, 1946), page 278.

Trinidad

IMPORT CONTROL FOR WATCHES AND HANDBAGS

In a notice of May 14 the Controller of Imports and Exports of Trinidad announced that the value limitation on imports of watches from Canada has been removed.

In another notice of May 14 importers are informed that licences will now be granted for the importation of ladies' plastic handbags into Trinidad from Canada. The value limitation on imports of handbags is also suspended.

United Kingdom

AMENDMENT OF OPEN GENERAL LICENCE FOR BOOKS

With reference to the notice published in *Commercial Intelligence Journal* No. 2185 (December 15, 1945), page 608, regarding an Open General Licence for the importation into the United Kingdom of printed books and certain other printed and similar matter when consigned from the British Empire, Mr. H. L. E. Priestman, Canadian Trade Commissioner in London, cables that Notice to Importers No. 187, issued by the Import Licensing Department of the British Board of Trade on May 21, amends the Open General Licence to apply to the following:—

"Books (excluding periodicals, magazines and the like) for reading purposes, printed and published in the British Empire; periodicals, magazines, music, catalogues, trade lists, advertising material, manuscripts, typescripts and like products of duplicating machines."

The effect of the amendment is to make it necessary that imported books for reading purposes must be both printed and published in, and consigned from, the British Empire in order to qualify for entry under the Open General Licence.

Books outside the scope of the Open General Licence as amended are prohibited importation except under licence granted for individual transactions.

The requirement of consignment from the British Empire continues to apply to periodicals, magazines, music, catalogues, trade lists, advertising material, manuscripts, typescripts and like products of duplicating machines.

United States

TARIFF-RATE QUOTA ON CERTAIN FISH NEARLY FILLED

The United States Bureau of Customs has announced that the quota for the calendar year 1946 of 20,380,724 pounds of fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, fil-

leted, skinned, boned, sliced or divided into portions, admissible at 1½ cents per pound, as provided for in the Canada-United States Trade Agreement of November 17, 1938, was approximately 95 per cent filled on May 25.

Importers, the announcement states, are therefore required to deposit estimated duties at the full tariff rate of 2½ cents per pound on all entries for consumption of quota-class fish during the period May 25 to December 31, 1946, pending determining of the quota status of such importations. Excessive duties deposited on fish of this class found to be within the quota limitation will be refunded.

POSTWAR TRADE REVIEWS

This is a series of reports designed to provide for Canadian exporters, potential exporters and others interested in the promotion of Canada's external trade a general description of the economy and trade of a number of Empire and foreign countries, the changes that have occurred in them during the war years, and an indication of the possible opportunities for Canadian trade with them during the early postwar years. The reports, prepared by Canadian Trade Commissioners, deal with the resources, production and industries of the countries, their wartime industrialization, if any, pre-war and wartime trade, trade with Canada, tariff structure, trade policy, etc.

Copies of pamphlets in this series are now available for the countries listed below and may be obtained free of charge on application to the Department of Trade and Commerce, Ottawa:—

Argentina*
Australia
British West Indies and British
Guiana
Central American Republics
Chile
Colombia and Venezuela
Cuba
Ecuador
Haiti and Dominican Republic
India*
New Zealand*
Peru

Pamphlets on countries marked by asterisks are temporarily out of print.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Commercial Counsellor, Canadian Embassy, Washington, D.C., from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to April 27, 1946:—

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to April 27, 1946	
				Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c per gal.	3,232	....
Cream	Gal.	1,500,000 per calendar year	56½ to 28¼oc. per gal.	729	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	20,380,724 per calendar year	2½ to 1½c. per lb.	16,361,627†	80.3
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1945	75 to 37½c. per 100 lb.	Quota filled	....
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1945	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	3,833	0.3
Red cedar shingles.....	Sq.	1,396,423		525,154	37.6
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1945	50 to 35% ad val.	30,115†	30.1
Tails	Piece	5,000 beginning Dec. 1, 1945	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† For the period December 1, 1945, to April 27, 1946, imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 3,189.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

FOREIGN INQUIRIES FOR CANADIAN GOODS

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

58. *Chile*—Galmes y Santos Ltda., Casilla 786, Santiago, have expressed interest in securing the agency for the following products: carpets; silk fabrics; linoleum; oilcloth; waterproof material; upholstery; casseroles; stoves (electric); cutlery; refrigerators; chinaware; galvanized wire for mattresses. File C.E. 222.

59. *Mexico*—Meximex, Apartado No. 409, Mexico, D.F., have expressed interest in securing the agency for Canadian manufacturers in a position to export the following: sewing-machines; washing-machines; all types of modern duplicating machines; type-writers; adding, calculating, accounting, and bookkeeping machines; cash registers; check-writing and protecting machines; photostat equipment; stamping machines; addressing

machines; all types of office sundries. File: 24309.

60. *Switzerland*—Francois Suter, Freienwil, Switzerland, is desirous of establishing contact with Canadian exporters of packing-house products, fats and oils, canned fruits, canned fish, and seeds with a view to the future establishment of these lines on the Swiss market. File: 27430.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations May 20	Nominal Quotations May 27
Argentina	Peso	Off.	.3282	.3282
		Free	.2685	.2718
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica) ..	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
		Off.	.0570	.0570
Chile	Peso	Export	.0441	.0441
		....	.6282	.6282
Colombia	Peso	....	1.1025	1.1025
Cuba	Peso	....	.0220	.0220
Czechoslovakia	Koruna	....	.2296	.2296
Denmark	Krone	....	.0816	.0816
Ecuador	Sucre	....	4.5538	4.5538
Egypt	Pound	....	4.4400	4.4400
Eire	Pound	....	4.0090	4.0090
Fiji	Pound	....	.0081	.0081
Finland	Markka	....	.0092	.0092
France and North Africa	Franc	....	.0157	.0157
French Empire—African	Franc	....	.0222	.0222
French Pacific possessions	Franc	....	.2205	.2205
Haiti	Gourde	....	.2775	.2775
Hongkong	Dollar	....	.1702	.1702
Iceland	Krona	....	.3330	.3330
India	Rupee	....	4.4400	4.4400
Iraq	Dinar	....	.0049	.0049
Italy	Lira	....	4.4400	4.4400
Jamaica	Pound	....	.2268	.2268
Mexico	Peso	....	.4153	.4153
Netherlands	Florin	....	.4153	.4153
Netherlands East Indies	Florin	....	.5842	.5842
Netherlands West Indies	Florin	....	3.5698	3.5698
New Zealand	Pound	....	.2220	.2220
Norway	Krone	....	4.4400	4.4400
Palestine	Pound	....	.1709	.1709
Peru	Sol	....	.5512	.5512
Philippines	Peso	....	.0444	.0444
Portugal	Escudo	....	.1110	.1110
Siam	Baht	....	.1009	.1009
Spain	Peseta	....	.5180	.5180
Straits Settlements	Dollar	....	.2627	.2627
Sweden	Krona	....	.2563	.2563
Switzerland	Franc	....	.0085	.0085
Turkey	Piastre	....	4.4400	4.4400
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	1.1025	1.1025
United States	Dollar	....	.7258	.7258
Uruguay	Peso	Controlled	.6206	.6206
		Uncontrolled	.3261	.3261
Venezuela	Bolivar	....	

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division, Industrial Development Division, and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Industrial Development Division.—Continues the Department's work in connection with the establishment of new industries and the study of new products, especially those suitable for export markets.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, *Canadian Government Trade Commissioner*, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.

Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.

Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.

Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis.

Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.

Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.

J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.

Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.

Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martín.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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ECONOMIC CONDITIONS IN AUSTRALIA IN 1945

I

By F. W. FRASER, *Canadian Trade Commissioner at Melbourne*

The highlights of 1945 for Australia were, of course, the sudden collapse of Germany in May and of Japan with similar suddenness in August, but of almost equal importance to the country's economy was the breaking of the three-year drought which had had such destructive effects on food production, particularly wheat and other grains, wool, meats, all dairy products, and fruits.

In common with the other allied powers, the abrupt termination of hostilities found this country quite unprepared for the transition from war to peace. Although much useful planning had been done by both Government and industry to ease the change-over to peacetime conditions, the end came so unexpectedly that neither was ready, and the situation was of course further confused by the equally abrupt termination of Lend-Lease supplies from the United States and Mutual Aid from Canada.

During the first eight months of the year, Australia was actively engaged in the prosecution of the war. The remainder of the year was devoted to the multiplicity of problems which are the aftermath of war, the first and most pressing being the demobilization of the armed forces and the provision of adequate housing facilities for returned service personnel. Other pressing problems included the rehabilitation of ex-servicemen, the reconstruction of industry and the building up of the country's export trade.

Other events of importance to the national economy were: (1) the conclusion of a "wool agreement" providing for the formation of a joint organization by the Governments of Great Britain, Australia, New Zealand

and South Africa to regulate the sale of the wartime accumulated surplus of 10,000,000 bales of Dominion-grown wool and to provide price safeguards for the current clip throughout the period of disposal; (2) a proposal for a plan to provide a subsidy to wheat-growers; (3) arrangements with the United Kingdom for the purchase of Australia's surplus meat until September 30, 1948, dairy products until June 30, 1948, and eggs until June 30, 1947; (4) the first tax cuts in several years; (5) a reduction in overseas debts; and (6) a further increase in bank deposits. As against the foregoing, the country has suffered from a series of strikes which have deprived industry of essential fuel, power and raw material supplies, slowed up the housing program and generally handicapped the orderly return to peacetime pursuits.

Public Finance

Australia's aggregate national debt (including that of the states), which stood at £1,447,000,000* at the outbreak of war had virtually doubled by June 30, 1945, when the total amounted to £2,629,943,000, of which £2,066,474,000 was payable in Australia, £522,370,000 (stg.) in London and £41,099,000 in New York. The cost of war up to June, 1944, had reached £2,111,000,000, of which 34 per cent was provided from taxation. Borrowings for war purposes totalled £1,387,000,000, of which public war loans contributed £897,000,000; war savings certificates, £53,000,000; interest-free loans, etc., £8,000,000; temporary use

*Unless otherwise stated, the pound refers to the Australian pound, which bears a fixed rate to the pound sterling of £100 stg. equal £A125.

of treasury balances, £86,000,000; and treasury bills, £343,000,000. Net national income rose from £795,000,000 in 1938-39 to £1,256,000,000 in 1944-45.

In introducing the budget for 1945-46, the Commonwealth Treasurer reported that total expenditure for 1944-45 was £609,462,000, of which £459,996,000 was for war, a substantial reduction from the previous year's spending. Total revenue amounted to £343,422,000, the deficit being financed by borrowings from the public and by £32,000,000 from the Treasury.

The estimates of revenue and expenditure for 1945-46 may be summarized as follows:—

War expenditure	£360,000,000
Non-war expenditure	132,000,000
Total	£492,000,000
Revenue	340,000,000
Estimated deficit	£152,000,000

The Treasurer also announced proposals for introducing new taxation in the form of a "social service contribution", which would be entirely separate from the ordinary income tax and, at the same time, proposals for reducing the rates of income tax so that the combined charge for both tax and contribution would average about 12½ per cent lower than the income tax alone. The effective income-tax exemption for taxpayers without dependents was raised from £104 to £200, and exemptions for taxpayers with dependents were raised proportionately. The new rates of income tax begin at 3d. in the pound and rise gradually to 15s. 2d. on that part of the taxpayer's income which is in excess of £5,000.

It will be noted that the estimated reduction on war expenditure for 1945-46 as compared with the previous year approximates £100,000,000, and on non-war expenditure £17,000,000, the estimated expenditure for purposes other than war, repatriation and taxation reimbursement grants being £132,390,000. Nearly one-half of this amount is earmarked for social services, the estimated total expenditure under this head for 1945-46 being £64,800,000, divided as follows:—

Australian Social Service Expenditures for 1945-46

Invalid and old-age pensions	£27,000,000
Funeral benefits: invalid and old-age pensioners	200,000
Widows' pensions	3,100,000
Maternity allowance	2,800,000
Child endowment	18,200,000
Unemployment and sickness benefits	9,500,000
Pharmaceutical benefits	1,000,000
Hospital benefits	2,500,000
Tuberculosis benefits	300,000
Rental rebates under housing agreement	200,000
Total	£64,800,000

Price stabilization subsidies required during the fiscal year 1944-45 amounted to £10,809,424, apportioned as follows:

Australian Price Stabilization Subsidies for 1944-45

Potatoes	£ 2,433,492
Tea	2,188,292
Whole milk	1,785,946
Recoup of basic wage adjustment ..	801,891
Other items	3,599,803
Total	£10,809,424

Estimated subsidies for 1945-46 for the foregoing items total £12,500,000.

In addition to the price stabilization subsidies set forth above, assistance was given to primary production in the following instances:—

Australian Subsidies to Primary Industries for 1944-45

Dairy industry (excluding whole-milk)	£ 5,152,872
Apple and pear industry	725,000
Wheat acreage restriction (Western Australia)	586,964
Superphosphate subsidy	2,214,388
Assistance to stock-feeders	4,623,902
Jute products	886,963
Field peas	90,195

Total/ primary production.....£14,280,284

Banking

Australian note issue at the end of 1945 totalled £199,964,000, of which £179,749,000 was held by the public and £20,215,000 by the banks, as compared with £202,494,000 at the end of 1944 (£187,198,000 held by the public and £15,305,000 by banks), and £57,275,000 in 1939 (£44,266,000 by the public and £13,009,000 by banks).

The average of weekly bank clearings in December, 1945, for the six capital cities amounted to £76,228,000 as compared with £73,113,000 in December, 1944, and £52,556,000 in December, 1939.

The average of deposits in the nine trading banks during December, 1945, amounted to £606,307,000 as compared with the average during the last quarter of 1944 of £558,809,000, and £327,082,000 for the corresponding period of 1939. As against this increase in deposits, it is noteworthy that there was a progressive decline in the average of advances from £292,853,000 during the last quarter of 1939 to £211,804,000 for the corresponding period of 1944 and £208,852,000 in December, 1945. Amounts on deposit in savings banks in Australia aggregated £611,689,000 at the end of November, 1945, as compared with £510,463,000 for November, 1944, and £245,587,000 for June, 1939.

In his budget speech, in September, the Commonwealth Treasurer referred to the greatly increased public funds and said that it would be necessary to finance the budgetary deficit from public loans if further addition to the excess spending power in the hands of the public, while goods are in short supply, was to be avoided.

Interest rates on deposits in commercial banks, which averaged 3 per cent in 1939, 2 per cent in 1943, and 1.90 per cent in 1944, were reduced to 1.50 per cent as from December 1, 1945. Savings bank rates remained at 2 per cent on the first £500, but were reduced to 1 per cent on the next £500 as from December 1, 1945. The interest-bearing limit on savings deposits is £1,000 in all states.

Labour, Employment and Housing

Shortage of manpower in all branches of industry continued to be a major problem throughout 1945. The year started with a total of 1,906,200 hands employed (excluding rural, household domestic and defence forces) as compared with 1,909,200 in January, 1944, and 1,900,800 in January, 1939. Employment figures rose to 1,919,300 in

June and to 1,919,900 in August but, following the cessation of hostilities, dropped away to 1,893,300 in October and 1,893,000 at the end of December. The decline is mainly ascribed to the number of strikes which paralyzed a section of industry during the last quarter of the year. Industrial disputes throughout the Commonwealth totalled 945 during the year, involving 342,938 workers. The number of working days lost was 2,119,641, and the estimated loss in wages was £2,567,444.

On V-P Day (August 15, 1945) the available strength of all Australian forces was 593,510, of whom 550,121 were men and 43,389 women. General demobilization began on October 1, and the first objective was set at 135,000 discharges before the end of the year. Actually this objective was exceeded by 36,677, making the total number discharged up to December 29, 171,577. This rapid discharge of service personnel, coupled with the series of strikes and the resultant dislocation of the building industry served to aggravate the already acute housing problem. During the war, while the housing shortage was a matter of great concern to the Commonwealth and State Governments, the demands of war on skilled labour and essential building materials made any comprehensive building scheme impossible, with the result that, at the end of the war, Australia faced an estimated shortage of 750,000 homes, which would take ten years to meet. Existing plans for new dwellings provide for the building of 24,000 in 1945-46, 50,000 in 1946-47, and 70,000 per annum from 1947-48.

The value of all building operations, including alterations and additions, totalled £2,383,000 during October, or approximately the same as the monthly average for 1938-39.

Prices and Wages

According to figures compiled by the Commonwealth Statistician, wholesale prices of basic materials and foodstuffs had advanced by approximately 40 per cent up to December,

1945, as compared with the base period. Details are as follows:—

Australian Index of Wholesale Prices

(Base: Average for 3 years ended June, 1939=1,000)

Metals and coal	1303
Oils, fats and waxes	1567
Textiles	1507
Chemicals	1417
Rubber and hides	1308
Building materials	1758
Foodstuffs and tobacco	1328
Goods principally imported	1778
Goods principally home produced	1244
All groups	1400

Retail prices up to the end of the fourth quarter of 1945, including food, rent, clothing and miscellaneous items had advanced by 27·3 per cent over those for the base period, and nominal weekly wages for adult males advanced by 33·7 per cent up to the end of the third quarter of 1945 (later figures not yet published).

Government Controls over Industry

Government control over industry in Australia during 1945, as in previous war years, was most comprehensive, but after the end of the war in August there was an increasing relaxation of wartime controls, particularly with respect to the manufacturing industries, direction of labour and transport. Following is a brief summary of the more important controls operating throughout the year:—

MARKETING OF PRIMARY PRODUCTS

Prior to the war the Federal Government exercised control over the marketing of the following Australian products: dairy products, dried fruits, canned fruits, wine, meat, apples and pears, and wheat, and Statutory Boards controlled meat, dairy produce and the fruit industries. After the outbreak of hostilities, additional government boards or committees were established to deal with the marketing of wool, wheat, barley, apples and pears, hide and leather products, eggs, rabbit skins, and potatoes, and all these organizations continued to function during 1945. In Victoria there was also a Milk

Board and an Onion Marketing Board under state government control.

FOOD CONTROL

The Commonwealth Food Control Directorate, established in 1943 to cope with wartime food requirements, was in operation throughout 1945. It directs the production of agriculture and food generally, with special emphasis on products in short supply, procurement of food, and control and direction of food exports.

Wartime Control and Rationalization of Industry

The Commonwealth Department of War Organization of Industry was established in 1941 to supervise rationalization of new manufactures and transport, organization of non-rural industry, distribution and services; fix production goals of rural products and organization of rural industries in co-operation with other government departments concerned; control of building and construction; and co-ordination of fisheries.

In February, 1945, this department was formally amalgamated with the Commonwealth Ministry of Post-War Reconstruction, and the functions of the former department were then carried on as a directorate of the latter. In July it was announced that a Secondary Industries Division had been established to carry on the activities of "War Organization of Industry".

In June and July, with the end of the war in sight, there was some relaxation of control announced by the Minister for Post-War Reconstruction affecting the manufacture of such products as furniture, knitted garments, cosmetics and the use of non-ferrous metals, and during August, when the war ended, the Minister announced the revocation of over a hundred control orders dealing with new manufacture, transport, primary products, labour, advertising, distribution of goods, etc. In September, October and November there were further revocations of control orders which, the Minister for Post-War Reconstruction stated, were

aimed at a very substantial freeing of industry in Australia.

During the war and throughout the year under review, the following controls, dealing principally with procurement, conservation or production, were exercised under the Department of Supply and Shipping and Ministry of Munitions, as follows:—

Department of Supply and Shipping—Liquid Fuel Control Board; Tin Plate Board; Directorate of Clothing and Textiles; Rubber Control; Flax Production Committee; Cargo Control Committee; Commonwealth Ships Chartering Committee; Commonwealth Disposal Commission.

Ministry of Munitions—Ordnance Production Directorate; Australian Shipbuilding Board; Electricity Supplies Controller; Timber Controller; Materials Supply Directorate.

There was also a Shipping Control Board and a Shipping Committee set up during the war, which continued to function in 1945.

Exports.—During the war there had been restrictions placed on the export of a large number of Australian products, and in October the Minister for Customs announced that the export restrictions had been removed from about 500 lines of goods.

Transport.—In July the Minister for Transport announced the relaxation of wartime restrictions on the transportation by railway of certain animals and on amusement equipment and other products, and after the end of the war, in August and September, there was relaxation of wartime controls of road transport. Also in August the system of rail travel priority ceased.

Manpower.—It was announced by the Prime Minister in August that the War Cabinet had decided to revoke entirely the power of direction of labour, and that in future persons under eighteen years and ex-service personnel would be completely free to take employment of their own choosing.

On September 24 the Minister for Labour stated that work involved in

cancelling the protection of about 11,000 undertakings had been completed by the Director-General of Manpower. The effect of deprotection was that employees in the undertakings concerned might leave their employment without permission, and employers might terminate the services of employees without permission.

Discussions were held in October between Federal Ministers and representatives of the Australian Coal and Shale Employees Federation concerning a proposed control of the coal industry in New South Wales by the Commonwealth and New South Wales State Governments. In the latter part of the year there were many disputes in the New South Wales coal industry that had adverse and serious effect on the general economy of Australia.

Censorship.—In September there was a total cessation of all forms of publicity censorship in Australia. The application of publicity censorship to the Australian press had ceased in August.

Capital Issues.—The Prime Minister announced in August amendments to the National Security (Capital Issues) Regulations to exempt from control the registration of companies with a nominal capital of less than £10,000 and the issue of capital and the making of calls up to £10,000 within a period of twelve months.

Wages Control.—The general wage-pegging rule which came into operation in February, 1942, continued throughout the year under review, but on February 1 amendments were made under the National Security (Economic Organization) Regulations to provide that industrial authorities may alter wages by way of exception to the rule after authorization by the Arbitration Court.

Prices.—A Commonwealth Prices Commissioner was appointed shortly after the outbreak of war, with a deputy Commissioner in each state, to administer price control. In his budget speech in September, the Prime Minister said that the price ceiling had

been maintained since its introduction in April, 1943, and that the present average retail price index remains at the April, 1943, level, which was about 22½ per cent above the figure for the September quarter of 1939. Subsidies required in 1945-46 were estimated to cost £12,500,000 as compared with £10,809,000 in 1944-45.

Import Control.—At the outbreak of war, restrictions were placed by the Commonwealth Government on imports from countries outside the sterling area, the primary object being to eliminate non-essential items from Australia's import trade with non-sterling countries, in order to conserve foreign exchange. These restrictions were progressively tightened as the war advanced, and in general remained operative throughout 1945. However, from the latter part of 1944 and throughout 1945 there were a number of relaxations of the restrictions. During the year under review a number of products were added to the list of commodities for which import licences may be freely issued, and others were permitted importation up to 150, 100, 75, and 50 per cent respectively of the value of such imports during the base year, 1939.

LEGISLATION AFFECTING THE CONTROL OF INDUSTRY

An important measure passed by the Federal Government in 1945 was the Australian National Airlines Bill, to provide for the establishment of a statutory corporation, called the Australian National Airlines Commission, to control and operate interstate airline services. The Prime Minister stated in July that the Bill was largely a postwar project, as the organization it provided for could not be created for some time.

Two other important acts passed in 1945 were the Commonwealth Bank Act 1945 and the Banking Act 1945, which became operative from August 21. The first-named Act gives the Commonwealth Government sole con-

trol of the Commonwealth Bank, and the second was designed to bring private banks under the control and direction of the governor of the Commonwealth Bank in relation to all fundamental features of banking policy. An important feature of the restrictions imposed on the private banks enables the Commonwealth Bank to control the classes of business to which the private banks may advance money.

In October the Federal Cabinet decided to establish a Commonwealth Shipping Board to supersede and carry on in peace time the relevant functions performed under wartime conditions by the Shipping Control Board, the Commonwealth Ships Chartering Committee, the Central Cargo Committee, and the Salvage Board.

RATIONING CONTROL

Major alterations during 1945 in the rationing of clothing and foodstuffs administered by the Rationing Commission were as follows:—

Clothing.—A general revision of the clothing coupon scale was made in November involving (a) the removal from coupon control of knitwear, footwear, headwear and other minor articles, (b) ratings on all wool piece-goods and garments were fixed at lower rates than for piece-goods and garments of other than wool material, (c) a general revision of the coupon ratings on articles still couponed was made to provide for average requirements from November 15, 1945, to December 31, 1946, being covered by 56 coupons instead of the previous annual issue of 112 coupons.

Foodstuffs.—During the year, tea and sugar rationing continued. In June a reduction was made in the butter ration from eight ounces to six ounces per week. As a result of drought conditions, the meat ration was reduced in February by 8¾ per cent, and by a further 12½ per cent in May. The average adult meat ration was thus reduced to 1.84 pounds per week.

POSTWAR OUTLOOK FOR POTATOES IN THE UNITED STATES

By H. A. SCOTT, *Commercial Counsellor, Canadian Embassy at Washington*

A recent report on potatoes, issued by the United States Tariff Commission, Washington, D.C., deals with problems that will confront the potato industry in the postwar period. It is pointed out that, while peak production and high prices during the war were encouraged by government price-support policies, the immediate and most important problem is a transition to a peacetime level of production. Once this is accomplished, the industry will probably be in about the same competitive position as before the war. The Government has committed itself to support the price of potatoes at not less than 90 per cent of parity during the two years beginning with the first day of January immediately after the President or Congress declares that hostilities have ended.

Production of potatoes during the war was expanded far beyond peacetime requirements and reached a peak of 465,000,000 bushels in 1943. The annual average production (1937-41) increased from 361,000,000 bushels to 425,000,000 bushels for the 1943-45 period. The report indicates that, as long as prices are supported, production is not likely to be decreased in line with the prospective reduction in consumption, unless production controls are undertaken. The outlook for the next two years is that guaranteed market prices in the United States, in addition to creating a surplus domestic output, may also stimulate large imports from Canada.

Imports Dependent on Domestic Crops

According to the report, in the long-term postwar period, that is during the first half of the 1950 decade, potato growers will likely be faced with the same problem of periodic over-production and price slumps that they faced before the war. The downward trend in per capita consumption of potatoes that was evident prior to the war may become more pronounced, especially if national income is high. As a result, the total annual demand for potatoes may be less than before the war, despite a growth in population. Under these conditions, and if there should be no government price-support policy, imports of potatoes are likely to represent, as in pre-war years, only a small proportion of consumption, except in years when there may be a short crop in the United States, and such imports would probably consist chiefly of seed potatoes.

Prices of potatoes in the long-term postwar period will be maintained at average prewar levels in the absence of government support only if present acreage and production in the United States are reduced. It is not anticipated that there will be any expansion of the United States export market after the present world food famine, in view of health law restrictions in those countries where large quantities of potatoes are consumed; nor will it be possible to divert a substantial quantity to industrial uses.

CANADIAN EXPORTS OF CANNED FISH IN 1946-47

The Department of Trade and Commerce has been in receipt of several inquiries for a statement on the export of canned fish for the fish year 1946-47, similar to that published in *Commercial Intelligence Journal* No. 2184 (December 8, 1945). Such a statement will be published as soon as possible, but as yet agreement has not been reached by the Fish Committee, Com-

bined Food Board, on the world allocations of canned fish for the coming year. It is hoped that a program will be drawn up in the near future and, as soon as this has been received, an official statement will be issued immediately, and all producers and exporters will receive this information simultaneously.

NEW FIVE YEAR PLAN FOR THE SOVIET UNION

PULP AND PAPER AND WOOD CHEMICAL INDUSTRIES

Contributed by the European Section of the Foreign Trade Service

In contrast with the distribution of industry in Canada, there are no large paper-making centres in the Soviet Union, but the mills are generally north of the Volga and Kama, especially near Gorki and Vologda, or in White Russia. This scattered industry was hard hit by the war. According to the Deputy Minister of the Pulp and Paper Industry of the U.S.S.R., some forty enterprises in the Karelian Isthmus, in Leningrad, in the Kalinin and Novgorod regions, and in the Ukraine and White Russia were wrecked by the Germans. Altogether the Soviet Union lost nearly 50 per cent of its productive capacity.

Pulp and Paper Industry

The paper-supply situation in the Soviet Union is undoubtedly serious; not only is writing-paper almost impossible to obtain in Moscow, but what is available is of very poor quality. There are frequent complaints in the press of the drastic shortage of school-books, and more recently a Ukrainian delegate to the Soviet of Nationalities urged that priority be given to an increase in the Five Year Plan allocation for the printing industry.

The Plan calls for the complete rehabilitation of the pulp and paper industry by 1948 in order to ensure that by 1950 the output of paper exceeds the pre-war level by 65 per cent. Provision is made for a far greater proportionate increase in the output of high-grade bleached paper. It is stated that the output of viscose cellulose must be greatly expanded so as to satisfy the needs of the artificial silk industry.

In order to achieve this increase, new machinery will be introduced, such as pulping machinery of high productivity and involving a minimum expenditure of electric power; paper machines with suction rolls; high-speed paper machines with multiple power drives; up-to-date machinery for bark stripping;

and high-capacity furnaces for the regeneration of dye.

It is reported that by the end of 1945 a great many of the incapacitated paper plants had been restored. Sixteen paper machines with a general capacity of 100,000 tons and two cardboard machines with a capacity of 17,000 tons a year have been put into operation, and plans for the next few months provide for another ten machines with a capacity of 40,000 tons of paper a year. In an effort to increase the supply of pulpwood to these restored plants, the Ministry of the Pulp and Paper Industry has taken over several enterprises in their entirety from the Ministry of the Timber Industry with the object of supplying them with four and a half million cubic metres during the 1945-46 season as compared with the 800,000 cubic metres they received in 1943. This measure has already shown results in some increase in the output of paper for schools and printing establishments and for what is an important item in the Soviet Union, cigarette mouthpieces.

Hydrolysis Industry

In the new Plan much attention is given the development of the hydrolysis industry, and it is provided that in 1950 the production of alcohol by hydrolysis shall be eight times greater than the pre-war figure. Waste products from sawmills and pulp and paper mills will be used in the sulphate-alcohol and hydrolysis industries for the manufacture of alcohol, albuminous yeast and other chemical products.

Wood Tar Products

The importance the Soviet planners attach to the development of the wood chemical industry is indicated by a much publicized statement by the Chief of the Central Administration of the Wood Chemical Industry to the effect that a cubic metre of wood processed in the wood chemical plants of the

Soviet Union yields, besides charcoal, some forty kilograms of chemical products. This stated rate of utilization is reported to be higher than that of any other country, resulting logically from extensive theoretical and applied research. The wood tar residue after distillation, which is said to be regarded as a waste product in some countries, has become a basic ingredient for manufacturing many chemical products in the Soviet Union. It is claimed that tar oil, a wood tar product, is an excellent inhibitor for stabilizing gasoline obtained by the cracking process, that it is superior to the synthetic inhibitor employed for this purpose in the United States, and is less expensive and simpler to manufacture. Another processing product of wood tar frequently mentioned is pitch, the residue left after the extraction of tar oil. Proposed by chemists as a binder for moulds, it has already replaced starch and molasses at many foundries. It is said that additional processing yields a new product called "berezoe", suitable for cementing parts in motors.

Other Developments

Another interesting development by wood chemists is the recently discovered black fur dye "pyrocatekhin", said

by furriers in the Soviet Union to be the best obtainable. Production on an industrial scale is to be begun in the near future. At the other extreme are wooden bearings. Produced from impregnated wood subjected to heat and pressure, they are claimed to be more durable than bronze bearings and to be superior to metal ones in underwater work.

Dry distillation of wood and the manufacture of rosin and turpentine are slated for extensive development in the next five years. New factories to be built for the production of rosin and turpentine will process stumps that have remained in the soil after the trees were cut down.

It is proposed that many plants using wood fuel be equipped for processing the combustion waste products. The ultimate intention is to turn all installations operating on wood fuel into a source of chemical products.

Proposed developments in the wood chemical industry, as in many other branches of the Soviet economy, are striking illustrations of the attempts that will be made during the next few years to make the fourth Five Year Plan a vindication of the superiority of Socialist science and technology.

CONDITIONS IN EL SALVADOR IN 1945

By C. B. SMITH, *Office of the Commercial Counsellor, Canadian Embassy, Mexico City*

(One colon equals 40 cents United States currency)

El Salvador increased its gold and foreign exchange holdings by the equivalent of twenty-eight million Canadian dollars during the period 1941-45 and accumulated favourable balances of foreign trade amounting to twenty-three million dollars. Despite a fall of some four million colones in export trade in 1945, the value of the country's exports still exceeded imports by 19,500,000 colones.

Foreign Trade

Exports last year were valued at 53,300,000 colones and imports at 33,-

800,000 colones. Imports had increased by 3,100,000 colones over the 1944 value, and exports had fallen by 4,200,000 colones. The favourable balance of trade, 19,500,000 colones, compared with a balance in 1944 of 26,800,000 colones. Canada was second among the countries buying from El Salvador, her purchases, valued at 3,100,000 colones, being almost entirely of coffee.

Although no detailed import figures for the year are yet available, their general trend was much the same as in 1943, when figures last were published and when imports totalled 29,-

800,000 colones. In that year the United States accounted for 20,100,000 colones, Mexico for 3,200,000 colones, Guatemala for 1,400,000 colones, and Great Britain for 1,400,000 colones.

The following were the principal countries of destination of Salvadoran exports in 1945:—

*Salvadoran Exports by Countries
in 1945*

	Colones
Canada	3,100,000
Costa Rica	100,000
Chile	200,000
United States	46,100,000
Guatemala	1,200,000
Honduras	1,800,000
Great Britain	200,000
Mexico	600,000
Nicaragua	200,000
Switzerland	300,000

Canada could multiply her export trade to El Salvador almost tenfold before striking a balance of trade, as the following figures indicate:—

Salvadoran Trade with Canada

	Imports	Exports
1942	\$ 794,437	\$196,325
1943	1,208,412	154,747
1944	2,561,457	274,802
1945	1,240,000	....

At least until El Salvador's capital and machine equipment is replaced, Canadian manufacturers will find a ready market for their products in this country. The demand for consumer goods, which is now heavy, may be expected to continue in the future well above the general level of the pre-war period.

Notes on the Principal Exports

COFFEE

The staple coffee crop represented 85 per cent of the year's exports. Ninety-five per cent of the exports to the United States, and practically all those to Canada and Switzerland were of coffee.

Coffee prices have been good since 1941, owing partly to the introduction of a system of quotas and also to a greater demand for mild coffee in the United States. However, production costs have risen during the past few

years, and prices of imported goods have increased. Coffee planters last year were expressing dissatisfaction with United States ceiling prices established at the Pan American Coffee Conference in Mexico in September, 1945.

SUGAR

The 1945 sugar crop of 375,000 quintals (37,500,000 pounds) was below the average of some 400,000 quintals annually. Domestic consumption of sugar is estimated at 325,000 quintals, the remainder being exported to Honduras under government licence. During last year, prices in Honduras rose to nearly double the price in Salvador, with the result that considerable quantities were exported to that country, and it became necessary for the Salvadoran Government to import unrefined sugar from Peru. Local prices had been controlled at 0.25 colon per pound. Towards the end of 1945, they reached one colon in the local markets.

COTTON

Some 7,000,000 pounds of ginned cotton were produced in 1945, a total of 5,000,000 pounds being consumed by local mills. The surplus may be sold in Guatemala. Local prices are approximately U.S.\$22 per quintal.

HENEQUEN

The henequen crop last year was about average at 50,000 quintals, all of which was, as is customary, consumed by local sack factories for making coffee sacks.

GOLD

Lack of machinery and other equipment has caused exports of gold to fall during the past few years as follows: 1940, 4,470,000 colones; 1941, 2,910,000; 1942, 2,610,000; 1943, 2,460,000; 1944, 1,970,000; 1945, 930,000 colones.

Cost of Living

An index of wholesale prices, covering forty articles in common use, issued by the Central Reserve Bank, indicates

an increase of about 120 per cent in the cost of living index between 1939 and October, 1945. Taking 100 as a basis in 1939, the index dropped to 80 during 1940, and has increased steadily to 120 in 1942, 160 in 1943, 175 in 1944, 210 in June, 1945, and 220 in October, 1945.

Finance

The international reserves of the Central Bank at the end of 1945 totalled 69,600,000 colones. The Central Bank also holds 800,000 colones in foreign exchange deposits. These same reserves stood at 16,300,000 colones at the end of 1938 and had fallen to 11,200,000 colones at the close of 1940. The subsequent rise in reserves has been derived from favourable trade balances, amounting to 54,500,000 colones in the last five years, and to the revaluation of gold reserves in 1942, which produced 3,900,000 colones.

In addition to the holdings of the Central Bank, the joint stock banks of Salvador hold 7,900,000 colones in foreign exchange and 12,900,000 colones in foreign exchange deposits. Total gold and foreign exchange holdings in El Salvador, not deducting government and private holdings but taking into account the gold revaluation of 1942, thus increased from 14,500,000 colones in 1941 to 78,300,000 colones in 1945. Not taking into account the revaluation of gold in 1942, the increase in reserves is 413 per cent.

Exchange transactions remained free in El Salvador throughout the war. There has been no system of import licensing.

The Bretton Woods Agreements were ratified by El Salvador on December 19, 1945.

External Debt

An outstanding financial event of last year was a decision to refund the external debt. In December, 1945, the National Assembly approved a decree authorizing the Government to make an offer to bondholders of the 8 per cent Series A dollar bonds, the 6 per cent Series B sterling bonds, and the 7 per cent Series C dollar bonds. This agreement was reached by the Foreign Bondholders Protective Council Incorporated of New York, the Government of El Salvador, and the London Council of Foreign Bondholders.

Future Trends

It is likely that, as the conditions of international commerce return towards normal, El Salvador's recent annual creditor trade balances will give place to debtor balances, until it is possible to import the capital equipment and machinery needed to replace that worn out during the war and to expand the country's agricultural and industrial economies, the transport system and public works. El Salvador enters this period with a particularly favourable foreign exchange situation.

WORLD WHEAT SITUATION

From the monthly review in the *Dominion Bureau of Statistics Bulletin*

Exportable surpluses of wheat have dwindled steadily during the past month as all major exporting countries continue their efforts to meet the urgent requirements of deficit areas. Evidence is mounting to show that the world food shortage will not end with the harvesting of this year's crops. While relatively favourable crop reports have been received from many of the famine-stricken countries, it is obvious that production will attain pre-war levels in few, if any, of these areas.

War has taken too great a toll of manpower and has brought about such serious shortage of farm machinery, fertilizer and draught power that complete agricultural recovery is bound to be a slow and laborious procedure. Realization of this fact is reflected in long-range agricultural programs and policies now being developed by most of the governments concerned. The general trend of policy is in the direction of encouraging production of more cereals and less live stock, based on the premise that more people can be fed directly with grain than can be fed

if the grain is first converted into live stock.

The conclusions reached by Mr. Hoover in his Famine Report to President Truman, together with the summarized results of his world survey, will bear repetition here. Mr. Hoover in his report, dated May 13, said in part: "The dominant need of the world in this crisis is cereals, particularly wheat and rice. There is great need of fats and special food for children, but as cereals can furnish 85 per cent of an emergency diet, we considered cereal requirements were the first concern and the best indicator. If a foundation of bread can be assured, and as much fats and children's food as possible, mass starvation can be prevented." Mr. Hoover's report contains detailed data on month-by-month (May 1 to September 30) requirements for the various deficit and famine areas, the requirements being summarized as follows: Europe, 8,390,000 tons; Latin America, 1,000,000; South Africa and New Zealand, 198,000; Middle East, 100,000; Indian Ocean Area, 2,886,000; Pacific Ocean Area, 1,910,000; total, 14,484,000 tons.

Mr. Hoover estimated probable supplies as of May 1 to September 30 as follows: United States, 4,220,000 tons; Canada, 2,300,000; Australia, 992,000; United Kingdom, 200,000; Argentina, 2,375,000; Brazil, 200,000; other Western Hemisphere states, 40,000; Burma, 75,000; Siam, 195,000; Russia to France, 300,000; total, 10,897,000 tons. On the basis of these data on requirements and supplies, the deficit amounts to around 3,600,000 tons (approximately 134 million bushels) as against a gap of 11 million tons (approximately 410 million bushels) indicated in some earlier appraisals. Mr. Hoover also located another 1,500,000 tons of potential supplies not taken into account above, but which may conceivably be borrowed or released from stocks in certain countries.

Total exports of wheat and wheat flour from Canada for the nine months ending April 30 amounted to 281,583,000 bushels. Exports for the month of April totalled 23,684,000 bushels. If overseas shipments can be maintained

at this rate during May, June and July, there will be no difficulty in reaching the goal of 340,000,000 bushels for export during the crop year. Much will depend, however, upon the level of farmers' marketings during the period. In addition, any lengthy tie-up of transportation, due to the current seamen's strike, could seriously impair the continued success of the export program.

In the United States an increase of 15 cents per bushel in the ceiling price of wheat was made effective May 13 through June 30, 1947. This increase, together with the bonus plan announced last month, had been largely instrumental in securing delivery of over 43,000,000 bushels from farmers up to May 17.

Favourable moisture conditions in Argentina have promoted the seeding of the 1946 grain crops but have caused some damage to corn and sunflower crops. The extent of the new wheat acreage has not been revealed, although it is felt that it will be limited as a result of the low fixed prices prevailing at present. UNRRA has been promised 20 million bushels of grain, and all efforts are being used to transport the supplies from the interior to the seaboard. Under its 5-peso per quintal bonus policy, which terminated last week, the Government was able to purchase some 45.4 million bushels of wheat from the farmers to meet its obligations. The outturn of the 1945 crop of wheat is now placed at 143.5 million bushels in the third estimate, 6 million bushels lower than the second estimate. Latest official reports place the exportable surplus at from 36 to 43 million bushels.

With the exception of Western Australia, moisture conditions have been ideal for Australia's wheat crop now being seeded. Some doubt has been expressed as to the possibility of realizing the wheat acreage goal of 15.5 million acres. Lack of fertilizers and low prices are deemed to be the limiting factors. Exports of wheat and wheat flour during the first four months of 1946 have amounted to 20.7 million bushels, destined exclusively for non-European consumers.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. Maurice Bélanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, Brazil; Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will re-open at Rome (territory includes Malta) the office formerly located at Milan; Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will open a new office at Leopoldville, Belgian Congo (territory includes Tanganyika, Kenya, Uganda, and Angola); and Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales).

Their itineraries as at present arranged are as follows:—

Mr. Manion

Toronto and district—June 10 to 13.
St. Catharines, Thorold and Niagara Falls—June 14.
Welland and Fort Erie—June 15.
Hamilton (including Brantford)—June 17 to 19.

Kitchener and Galt—June 20.
Guelph—June 21.
Ottawa—June 24 and 25.
Fort William—June 27.
Winnipeg—June 28 and 29.
Vancouver—July 2 to 6.
Ottawa—July 10 to 13.

Mr. Bélanger

Toronto—July 2 to 6 and 8 to 11.

Mr. Ausman

Toronto—June 10 to 22.
Hamilton—June 24 and 25.
Brantford—June 26.
Windsor—June 27.
Welland—June 28.
Winnipeg—July 2 and 3.
Edmonton—July 5.
Vancouver—July 9 to 15.

Mr. Vechsler

Toronto—June 10 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Vancouver, Edmonton, Winnipeg, and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

NEW FRENCH EXPORT POLICY

The French Embassy, through their Service d'Information Français, issued a press bulletin dated May 28, 1946, setting forth the new French export policy.

The bulletin, in its summary of the essential provisions of the policy, states that the production of goods for export will be increased by the allocation of special quotas of raw material to manufacturers. In some cases the new export plan provides for shipments of products of which there is still a scarcity in the French home market.

Export licences are no longer required for yarns, wool fabrics, clothing, lingerie, hats, perfumes, pelts, cigarette paper, special alloy steels, champagne

wines, brandies, cognacs, spices, and other unspecified items.

Export quota allocations are assigned to French exporters by the French Government and this procedure has become a general rule. Where export licences are still required, application forms have been revised and greatly simplified. The bulletin further states that every effort will be made to maintain a high standard of quality for goods, especially in the luxury trades, which enjoyed pre-war world reputation, and in this connection consideration is being given the creation of an "Office of Quality", which will award a "national trade mark of quality" after a thorough checking has been made with the exporter.

UNITED KINGDOM TOKEN IMPORTS

With reference to the article published in *Commercial Intelligence Journal* No. 2202 (April 13, 1946), page 322, the United Kingdom authorities have agreed to alter Item No. 35 in

the list of Canadian commodities subject to new token shipment procedure to read "plastic buttons" instead of "acetate buttons".

POSTAL SERVICES AND RATES

Italy

PARCEL POST SERVICE EXTENDED

Gift parcels weighing up to 11 pounds will now be accepted for transmission to all destinations in the provinces of Gorizia, Trieste and Pola in Italy under the conditions outlined in a previous notice.

Africa, Asia and Oceania

AIR MAIL ROUTES

Effective immediately, air mail for Africa, Asia and Oceania, with certain exceptions, will be routed via England,

being forwarded by air to Montreal for onward transmission. The rate of postage will be 50 cents for each half-ounce or fraction thereof, except to Hawaii, Guam, the Philippines and China, to where the existing air mail rates apply, i.e., 35 cents, 65 cents and 75 cents per half-ounce and 60 cents per quarter-ounce respectively, and the weight limit will be 4 pounds 6 ounces unless otherwise indicated.

Air mail for Hawaii, Guam, the Philippines and China will continue to be forwarded by the Pacific route. Canada air letters for China will be forwarded, as usual, via England.

ASSISTANCE THAT CAN BE GIVEN TRADE COMMISSIONERS BY CANADIAN EXPORTERS AND IMPORTERS

Assistance by Exporters

A Canadian firm deciding to enter export markets, should first, in his preliminary investigations, obtain as much information as possible from the Foreign Trade Service, Department of Trade and Commerce, Ottawa. The exporter should also secure a listing in the Department's confidential Exporter's Directory, an up-to-date copy of which is maintained in the office of every Canadian Trade Commissioner abroad. This directory provides the Trade Commissioner with first-hand information on Canadian exporters, and enables him to give immediate and direct assistance to any listed Canadian firms writing him.

The exporter should *with his first letter* provide the Trade Commissioner with the following basic information:—

- (a) Catalogues and best export prices c.i.f. port of entry or, failing that, f.o.b. Canadian port. It is quite useless to send prices f.o.b. factory.
- (b) Details regarding process of manufacture if convenient.
- (c) Technical information covering use of product, where applicable.
- (d) Bankers' references.
- (e) Time required to ship from receipt of order, and the quantities for which orders will be accepted.

- (f) Details of experience he has had in the territory served by the Trade Commissioner.
- (g) Information regarding previous connections, if any, which he has, either with agents or importers. If connections still exist, what, if any, bearing will they have on fresh contacts that may be established through the efforts of the Trade Commissioner.
- (h) The marketing methods the exporter has found to be most successful at home or in other foreign markets, and the type of distributor or agent believed to be most desirable.

NOTE: Samples should not be sent to the Trade Commissioner or to prospective agents with the first exchange of correspondence. In some countries there are regulations governing the sending of samples, and, if these are not rigidly adhered to, heavy fines may be levied, irrespective of whether there is any attempt to defraud the Customs concerned, and there may be no appeal. Further, in order to avoid unnecessary expense, it is advisable to await a request for samples, and instructions as to how they are to be sent should be followed to the letter.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported and can then either place the exporter in communication with reliable importers or recommend suitable agents.

Assistance by Importers

A Canadian manufacturer desiring to obtain goods and materials from abroad, or who is investigating the possibility of importing needed supplies, will find it of value to first obtain the assistance of the Import Division, Foreign Trade Service, Ottawa, as this Division, working through the Trade Commissioner Service and other channels, is developing general information

for the advantage of Canadian importers. In competitive lines it is at times of primary importance for the importer to become informed of such factors as where goods are moving, through what hands, by what shipping and other trade services, etc., and, through the agency of the Import Division and the Foreign Trade Service as a whole, such trade "intelligence" on commodity movement can be provided on inquiry from importers. The importer should obtain a listing in the confidential Directory of Canadian Importers, an up-to-date copy of which is maintained in the office of every Trade Commissioner. This directory provides the Trade Commissioner with complete details on Canadian importers, and enables him to render direct and immediate assistance to any Canadian importer so listed.

When an importer is ready to solicit the services of a Trade Commissioner abroad, he should, in his first letter, provide the following basic information:—

- (a) Banking and trade references.
- (b) Nature of his business, i.e., manufacturer, importer, etc.
- (c) Whether previously engaged in import trade.
- (d) Experience he has had, if any, in territory served by the Trade Commissioner, and if at present importing materials therefrom.
- (e) Specific details on materials required.
- (f) Price range to be met, and basis on which prices should be quoted.
- (g) Quantity and quality of goods required, if to be purchased on consignment or outright sale, and when required for delivery.
- (h) Possible future requirements.

This information will enable the Trade Commissioner to canvass prospective suppliers, advise the Canadian importer of the response to his inquiry, and place such importer in touch with any interested suppliers.

ECONOMIC, TRADE AND PRODUCTION NOTES

Germany

FOREIGN TRADE RESUMED

A step in the resumption of Germany's foreign trade has been taken with the conclusion of export and import agreements between the Office of Military Government for Germany (U.S.) and foreign countries and UNRRA.

EXPORTS

The agreements call for the exportation from Germany of commodities having a total value of \$383,116 and importations valued at \$1,280,920. The imports were arranged to help bolster the agricultural potentiality of the United States zone in the face of the world-wide food pinch. The exports, representing surplus commodities in the American zone, will help defray the mounting cost of importing food into the zone.

While the exports, which are being shipped from both wartime and post-war stock, are a trickle of the zone's former output for foreign consumption, it does show that the zone is assuming greater responsibility in self-subsistence, thus reducing military government's burden.

The export items include 25,000 bicycle-wheel sprockets, valued at \$68,000, consigned to Denmark. Material for the sprockets has already been allocated, and production to fill the order will begin in four to six weeks, with shipment scheduled tentatively for sometime in June. The other export items, of which all but one are consigned to Denmark, are already available and will be shipped as soon as they can be packed and transportation is available.

IMPORTS

The commodities to be imported are all of an agricultural nature. The largest single item, in terms of dollars, is an order for 3,000 tons of hemp fibre, valued at \$731,700, from Italy. Shipment has already begun and is

expected to be completed by May 15. The fibre has been consigned to Fuesen, Bavaria, where it will be made into binder twine for agricultural crops.

A total of 750 tons of seed potatoes, valued at \$48,750, will be imported from Czechoslovakia; the potatoes are scheduled to leave for the American zone April 29 or 30. This shipment was consigned to the Baywa Farmers' Cooperation in Rugensburg, Bavaria, which will distribute them to some fifteen seed-growers. Seed produced by the latter will in turn be sold to farmers throughout the United States zone for the growing of eating potatoes.

From Sweden there has been purchased 5,500 tons of sulphate pulp, valued at \$434,500. The first shipment to the American zone was scheduled for April 25 and the movement was to be completed about May 7. The sulphate pulp will be used for manufacturing paper. First priority use for the paper is paper binder twine; second priority, paper bags for food production; and third priority, paper bags for cement. The paper will be widely distributed among the three Laender.

An order also has been placed with Sweden for the importation of 500 tons of arsenic valued at \$47,240. It is expected to arrive in the American zone during the first week in May, where it will be used in the manufacture of insecticide for spraying potato crops. The arsenic will be processed at factories in Hoechst and Darustadt, in Greater Hesse.

Austria has agreed to ship 414 tons of graphite, valued at \$18,630, to the American zone not later than June 15. The graphite will be used in the manufacture of nitrogen fertilizer and for various metallurgical purposes.

Ireland

BUDGET FOR 1946-47

Mr. E. L. McColl, Canadian Trade Commissioner at Dublin, reports that on May 8 the Minister for Finance introduced the Eire Budget for 1946-47.

The two major concessions are a reduction of 1s. in the pound on income tax and the abolition of the duty on sugar, which will mean the sale of this commodity at 5d. instead of 6d. per pound. The first of these items comes as a welcome relief to the salaried classes, while the second affects even the poorest household. Other concessions announced were: 6d. per gallon off the price of petrol and fuel oil; 10s. per ton reduction in the price of turf (which is now the staple fuel of the country); the abolition of the excess corporation profits tax at the end of this year; and the remission of the entertainment tax on Irish dances and on dances organized by charitable and educational bodies.

The only items on which the Minister has increased his demands are whiskey (1³/₄d. per glass); light wines (6d. per bottle); and champagne 2s. 7d. per bottle.

For 1946-47 the estimated outlay is £53,945,000, which is calculated to include a surplus of £7,000. This total is an increase of £1,578,000 over last year's figure and allows for an expenditure of £5,723,572 on central fund services, £47,766,428 on supply services (under which £3,000,000 is allocated to the relief of distress in Europe), and £682,000 for capital outlay, such as defence expenditure, airports, afforestation, employment and emergency schemes. The amount for central fund services is £313,000 more than last year, and supply services have advanced £263,000. The sum of £682,000 is to be raised by borrowing.

The estimated receipts from non-tax revenue are £7,310,000, and from tax revenue £48,240,000, a total of £55,550,000 which leaves a surplus of £2,742,000 over the estimated expenditure on non-capital portions of supply and central fund services. Added to this will be a saving of £180,000 on the flour subsidy, due to an increase in the extraction of flour for bread to 90 per cent.

Newfoundland

RATIONING OF TIRES AND TUBES CANCELLED

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, writes

under date May 16, 1946, that the Acting Secretary for Supply of the Newfoundland Government has announced that, effective May 10, tires and tubes have been withdrawn from the list of rationed goods. They may now, therefore, be purchased direct from dealers without permit.

New Zealand

MOTOR VEHICLE REGISTRATION

Mr. P. V. McLane, Canadian Trade Commissioner at Auckland, reports that at December 31, 1945, there were 307,088 motor cars, trucks and motor cycles licensed for operation in New Zealand.

Private motor cars numbering 172,441, comprise the largest item, and there has been a slight decrease during the last year. There have been a few increases in trucks, motor cycles and trailers. A large percentage of all these vehicles, however, are at least ten years old, and a great number of them need replacement. As there has been no price ceiling on motor vehicles and since the demand is keen, prices are extremely high. Gasoline is still rationed, but it is expected that rationing will be lifted in June.

A few months ago, the New Zealand Minister of Customs announced an increased allocation of imports of motor vehicles into New Zealand. At present the allocation will be for the importation of 150 per cent in value of the 1938 imports of motor chassis from the United Kingdom and 100 and 110 per cent respectively of assembled and unassembled passenger cars. From Canada and the United States it will be possible to import 50 per cent of the 1938 value in unassembled commercial chassis, 35 per cent of unassembled passenger cars, and 25 per cent in the case of assembled cars. On the basis of the 1938 imports, this works out at approximately 8,800 from the United Kingdom and about 2,000 from Canada and the United States, which is a fraction of the number of cars which could be disposed of in this country.

Some British cars have arrived in New Zealand and are being quoted at approximately double the 1940 price.

Some Canadian and American cars are on order and are expected to be shipped in the near future. Prices at which American and Canadian cars will be sold in New Zealand have not yet been announced.

Sweden

DECLINE IN NOTE CIRCULATION

The Riksbank's reserves of gold and foreign exchange have shown only minor changes. The note circulation decreased during January and February by nearly \$70 millions to \$626 millions. Deposits in the commercial banks fell slightly in December, rose sharply in January, but again went down in February. In the three months there was a net rise of some \$6 millions to \$1,720 millions. The Commercial banks' advances increased steadily throughout the period, ending about \$125 millions higher at \$1,535 millions. The marked changes in the banking business that have taken place during the past years are illustrated by a comparison between the balance-sheet figures for last February and the corresponding figures for February, 1945. Whereas in February, 1945, cash funds represented 6 per cent, bond holdings 25 per cent and advances 64 per cent of the total assets, the corresponding figures for last February were 3, 21, and 69 per cent, respectively. The liquidity position of the savings banks has not tightened up in the same way. Deposits in the savings banks increased by \$22 millions during December-February, while advances increased by \$17 millions. The interest level has remained stable.

PRODUCTION OF CELLULOSE DURING 1946

The Swedish pulp market is still very firm. Due to the unusually mild weather, shipments, even from most of the Norrland ports, could proceed up to the end of February. Deliveries of cellulose during the current year probably already exceed the inventories at the end of 1945, which were estimated at about 370,000 tons. Consequently, export requirements during the forthcoming shipping season will have to be met entirely out of the current year's production, which is not likely to ex-

ceed about 70 per cent of the normal pre-war output. The demand is so lively that the chief problem of the sellers will be how to allot exports to the various markets on as reasonable a basis as possible.

Everything will be done to supply the industry's traditional customers. Of the quantities sold to Britain for shipment up to June, 1946, only a minor portion remains to be shipped, and further sales will depend on the outcome of the official negotiations. As for exports to France, the situation is similar. No final contracts for shipments to that market in the second half of the year will be possible until trade negotiations have been concluded. However, the sellers seem to be well acquainted with the buyers' requirements in both Britain and France, and they have, to a certain extent, promised to meet them at prices which are to be fixed later. They are also said to have held out the prospect of shipping to the American market, subject to a reasonable rise in prices, about 700,000 tons of cellulose. On all other markets, sales of both chemical and mechanical pulp for delivery this year have been extremely lively.

HEAVY DEMAND FOR PAPER

Employment in the paper mills is good. The granting of Swedish export licences to the sterling markets, with the exception of England, is still suspended, but otherwise shipments have been rather lively. The demand for paper is heavy in many parts of the world but, on account of licensing restrictions, many markets are closed to Swedish producers. The new trade agreement with Belgium provides for substantial Swedish deliveries of paper. Last year Sweden produced about 750,000 tons of paper and board, which means that about 75 per cent of the capacity was utilized. Several mills are trying to overcome fuel difficulties by installing oil-heating apparatus.

United Kingdom

ALLOCATION OF TIMBER

Mr. C. G. Venus, Office of the Canadian Trade Commissioner at London, writes that the Minister of Health,

who controls the United Kingdom house-building program through the various County Councils and other housing authorities scattered throughout England and Wales, has announced that, in consultation with the Ministry of Supply, consideration has been given to the amount of timber which, having regard to existing and probable future supplies, can be made available for housing. Canadian timber producers and exporters will be interested in the austerity measures which are being adopted.

Timber, especially softwood and plywood, has been in short supply, and it is expected that this shortage will persist for some time to come. The Minister, in these circumstances, instructs that careful economy should be exercised in the use of timber, so as to ensure that the supplies available are fairly and evenly distributed.

It has been decided that, except as regards softwood for multiple tenement flats, the maximum amounts of timber for all purposes which can be allowed for new dwellings erected by local authorities should be as follows:—

1. *Softwood* — Two standards per 1,000 superficial feet of floor area.
2. *Plywood*—450 square feet per dwelling.
3. *Hardwood*—10 cubic feet per dwelling.

The Minister is satisfied that it will often be possible to use less than the permitted amounts of timber without detriment to sound and efficient building; e.g., in connection with special methods of construction in floors and roofs; and savings should be effected wherever possible.

The softwood requirements for multiple tenement flats will be dealt with on the merits of each particular scheme. As regards hardwood, sufficient home-grown hardwood for a 10-foot length per house of close boarded fencing, not exceeding 6 feet in height, may be allowed, as an extra to the amount specified above for hardwood, in special

cases to give privacy. Home-grown hardwood fence posts for site enclosure are also permissible, and these may be obtained on application to the Timber Control Area Officer without a certificate to purchase.

The Local Authorities are requested, when forwarding house tenders and specifications for the Minister's approval, to submit a statement showing in the aggregate the amounts of softwood, plywood and hardwood which will be required. The timber requirements of the Local Authority are further required to be spaced out over the contract period, giving the amounts needed during the quarter in which the tenders are submitted and during each succeeding quarter. In this way it will be possible to avoid an undue depletion of supplies at a time when it may be difficult for merchants to meet all demands made upon them. Care will be taken to ensure that timber certificates are issued by the Department in good time to enable the requisite amounts of timber to be purchased as building work proceeds.

EMPLOYMENT OF GERMAN INDUSTRIAL TECHNICIANS

Mr. J. G. Dykes, Assistant Canadian Trade Commissioner at London, reports that the British Government has decided to bring to this country up to two hundred German scientists and technicians to work in an advisory capacity for a limited period.

The experts, all of them volunteers, will be research workers of exceptional skill or specialists in industrial techniques or processes likely to be of great interest and usefulness to British manufacturers. The determining factor in selection is to be the possibility of a real contribution to development in existing industries or to the establishment of new branches as a result of the research undertaken.

The specialists are to be employed by the Government, who will loan them to trade associations and research organizations. All investigations or discoveries will be used for the benefit

of industry as a whole. Under certain circumstances, practical research may be undertaken by these experts within a particular firm, but there is to be no question of any German holding a position of authority or of replacing a British worker.

The political background of each scientist or technician will be carefully examined before final selection, and during their stay in the United Kingdom they will be subject to the normal security safeguards attached to enemy aliens.

TRADE REGULATIONS AND TARIFF CHANGES

United States

IMPORT QUOTA FOR FOX FURS

The United States Treasury Department, on May 28, declared 67,012 as the number of silver or black foxes valued at less than \$250 each and whole silver or black fox fur skins (with or without paws, tails, or heads) which may be entered or withdrawn from warehouse for consumption, without reference to the country of exportation, during the period May 1 to November 30, 1946, inclusive.

Paragraphs 2, 3 and 4 of Article 2 of the supplementary trade agreement between Canada and the United States, signed December 13, 1940, allotted to

Canada, for a 12-month period, 70,000 of such silver or black fox fur skins out of a total allowed from all countries of 100,000. Not more than 25 per cent of the yearly quota may be entered, or withdrawn from warehouse, for consumption during any one month. Paragraph 5 of Article 2 provides that any part of the total permitted quantity which has not been entered, or withdrawn from warehouse, for consumption prior to May 1 of each year may be allowed during the remainder of the quota period without reference to the country of exportation or the 25 per cent monthly limitation. A year ago the corresponding figure announced was 52,176.

FOREIGN INQUIRIES FOR CANADIAN GOODS

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

61. *Mexico*—Casa Robles Gil, S.A., Monterrey No. 222, Mexico, D.F., have expressed interest in securing the agency for the following Canadian products: commercial and industrial refrigerating machinery; machines for making ice cream; soda fountain equipment; ice-making equipment; compressing machines for refrigeration; food-conserving machinery. File: 24595.

62. *China*—The China United Corporation, 58 Kiangse Road, Shanghai, have expressed interest in importing chemical products, hardware, rubber goods and sundries and are in a position to export straw-hat bodies, cereals, etc.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit	Nominal Quotations May 27	Nominal Quotations June 3
Argentina	Peso	Off. .3282	.3282
		Free .2718	.2706
Australia	Pound	3.5520	3.5520
Belgium and Belgian Empire.....	Franc	.0251	.0251
Bolivia	Boliviano	.0262	.0262
British West Indies (except Jamaica).	Dollar	.9250	.9250
Brazil	Cruzeiro	Off. .0668	.0668
		Free .0571	.0571
Chile	Peso	Off. .0570	.0570
		Export .0441	.0441
Colombia	Peso	.6282	.6282
Cuba	Peso	1.1025	1.1025
Czechoslovakia	Koruna	.0220	.0220
Denmark	Krone	.2296	.2296
Ecuador	Sucre	.0816	.0816
Egypt	Pound	4.5538	4.5538
Eire	Pound	4.4400	4.4400
Fiji	Pound	4.0090	4.0090
Finland	Markka	.0081	.0081
France and North Africa.....	Franc	.0092	.0092
French Empire—African.....	Franc	.0157	.0157
French Pacific possessions.....	Franc	.0222	.0222
Haiti	Gourde	.2205	.2205
Hongkong	Dollar	.2775	.2775
Iceland	Krona	.1702	.1702
India	Rupee	.3330	.3330
Iraq	Dinar	4.4400	4.4400
Italy	Lira	.0049	.0049
Jamaica	Pound	4.4400	4.4400
Mexico	Peso	.2268	.2268
Netherlands	Florin	.4153	.4153
Netherlands East Indies	Florin	.4153	.4153
Netherlands West Indies	Florin	.5842	.5842
New Zealand	Pound	3.5698	3.5698
Norway	Krone	.2220	.2220
Palestine	Pound	4.4400	4.4400
Peru	Sol	.1709	.1709
Philippines	Peso	.5512	.5512
Portugal	Escudo	.0444	.0444
Siam	Baht	.1110	.1110
Spain	Peseta	.1009	.1009
Straits Settlements	Dollar	.5180	.5180
Sweden	Krona	.2627	.2627
Switzerland	Franc	.2563	.2563
Turkey	Piastre	.0085	.0085
Union of South Africa	Pound	4.4400	4.4400
United Kingdom	Pound	4.4400	4.4400
United States	Dollar	1.1025	1.1025
Uruguay	Peso	Controlled .7258	.7258
		Uncontrolled .6206	.6206
Venezuela	Bolivar	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division, Industrial Development Division, and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Industrial Development Division.—Continues the Department's work in connection with the establishment of new industries and the study of new products, especially those suitable for export markets.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- The *Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, Canadian Government Trade Commissioner, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Colombiana de Seguros, Of. No. 523.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil. Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris. Territory includes Switzerland.
J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris. Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

AGRICULTURAL SITUATION IN ITALY*

By J. P. MANION, *Canadian Trade Commissioner*

As in all European countries, the cumulation of war damage, reduction in labour force, and drought conditions have brought about a serious situation in Italian agriculture. Influences due to the war have been of many kinds. Chief among them have been the inability to obtain sufficient amounts of fertilizer; the reduction in manpower, due to military service requirements; and the reduction in tractive power, due to military use of horses and the lack of parts and facilities for the upkeep of tractors. In Italy actual physical damage has also been substantial. It is estimated that 900,000 acres of cultivated land had been damaged by bombardment, mines, use as airfields, military requisitions, etc. Furthermore, some 120 million vines, 5 million olive trees and 4 million assorted fruit trees had been destroyed, while losses to farm buildings, silos and agricultural machinery are estimated at 70 billion lire (\$350,000,000), and losses in live stock at 50 billion lire (\$250,000,000).

When to all these losses in potential was added the severe drought of 1945, the reason for the extremely low level of agricultural production during that year is readily apparent. All evidence points, however, to a considerable improvement during the current year, but it is to be noted that early estimates are still subject to wide fluctuations, depending on weather conditions. Table 1 shows the areas sown to various crops for the period 1936-39 and the years 1945 and 1946.

Table 2 shows the production of the various crops in Italy for the period 1936-39 and the years 1945 and 1946.

Table 1 shows the great reduction in cultivated land in 1945, due to a variety of causes of which physical damage accounts for only one-third. A pronounced recovery is expected in

1946, but the total area under cultivation is still 10 per cent less than it was in the pre-war period, and continued recovery will probably be at a lesser pace. The next point of interest is a comparison of Tables 1 and 2 in order to arrive at the yield per acre. This will naturally show a very greatly reduced yield in 1945, due to drought conditions, but even in 1946, assuming that weather conditions will be normal, the yield is expected to be less than average, due in large measure to lack of fertilizers, poor quality of seed, and lack of proper cultivating and harvesting equipment.

Effects on the Food Situation

According to Table 2, total production of cereals during the period 1936-39 was 11,559,000 metric tons. During 1945, production was down nearly 50 per cent, at 6,457,000 tons, while the estimated output for 1946 is 9,022,000 tons. The latter figure is an increase of 2,565,000 tons over the 1945 yield and, since the Italian import requirements for 1945-46 were estimated at 2,420,000 tons in terms of wheat, it might be presumed that imports into Italy during the crop year 1946-47 might be eliminated.

However, several factors must be considered. In the first place, production estimates are based on normal growing conditions, while it is more than probable that the cumulative effects of last year's drought, even if it is not followed by continued drought conditions this year, will have an injurious effect hard to estimate as yet.

*This is the first of a series of reports prepared by Mr. Manion following his recent return from a trade mission to Italy, Switzerland and North Africa. Mr. Manion is now on tour in Canada in the interest of trade with this territory prior to re-opening at Rome the Canadian Trade Commissioner office formerly located at Milan.

TABLE 1
Areas Sown to Various Crops in Italy

	Average 1936-39	1945	1946*
	Figures in Thousands of Hectares of 2.5 Acres		
Wheat	5,142	4,457	4,675
Rye	105	93	98
Barley	198	236	220
Oats	433	435	445
Corn	1,482	1,307	1,390
Rice	149	97	140
Horse beans	653	378	370
Kidney beans	505	505	510
Truck crops	201	229	250
Tomatoes	58	57	62
Potatoes	425	394	447
Sugar beets	135	29	110
Total	9,486	8,217	8,717
Converted to acres	23,715,000	20,542,000	21,614,000

*Estimated.

TABLE 2
Italian Crop Production

	Average 1936-39	1945	1946*
	Figures in Thousands of Metric Tons of 2,204 Pounds		
Wheat	7,585	4,206	5,516
Rye	142	77	118
Barley	337	124	198
Oats	569	252	490
Corn	2,292	1,416	2,196
Rice	744	382	504
Horse beans	635	112	222
Kidney beans	167	48	107
Truck crops	1,728	1,639	1,650
Tomatoes	958	530	899
Potatoes	2,893	1,472	2,458
Sugar beets	3,272	401	2,611
Wine	3,875	2,975	3,700
Olive oil	230	92	150

*Estimated.

Secondly, the 1945-46 import program has not been fulfilled, so that Italy will be obliged to delve into stocks which would normally be carried over for seeding. This will require compensating imports next year. Thirdly, the UNRRA import program was based on the barest essential needs and was meant to provide only 200 grams (7 ounces) of bread per day and 500 grams of alimentary pastes (macaroni, etc.) per month. Inclusive of imports, the total volume of wheat available during the 1945-46 season was 6,600,000 tons, whereas normal pre-war consumption was 8,200,000 tons, including average imports of 2,000,000 tons. Since the shortage of meat, fats and dairy products will continue well into next year, it is difficult to determine how long the country can subsist on the short rations at present available without its resulting in domestic distur-

bances. The only redeeming features are the million extra tons of potatoes expected this year and the heavy increase in sugar-beet production. The latter should do much to counter-balance food shortages in other directions. Nevertheless a safe estimate of Italy's requirements in imported wheat during the coming crop year would be in the neighbourhood of one million tons.

This figure may be confirmed in another way. The total amount of wheat withdrawn from farms by the Government's "amassment" program during the current year was approximately one million tons. In addition to this, imports of 2,400,000 tons were required in order to feed the urban populations. Totals were, therefore, 3,200,000 tons held on farms and 3,400,000 tons distributed to urban populations, which indicates approxi-

mately the percentages of the population in rural and urban areas. If the 1946 crop exceeds that of last year by 1,300,000 tons, as is indicated in Table 2, the urban populations should receive 2,300,000 tons from domestic sources and would therefore require a little over one million tons of imported wheat to maintain the present ration.

This report on the Italian economy will not deal further with the food situation, which will be covered in greater detail in a following one. The remainder of this report deals with other farm problems affecting the general agricultural situation.

Fertilizers

Because of total neglect occasioned by the war, the amount of fertilizer required in Italy to bring the soil back to its normal fertility will be for several years greater than pre-war requirements. Yet the quantities available for 1946 are far below average, so that low yields must be expected to continue into 1947 and probably into 1948 as well, since adequate applications of fertilizer will take some time to produce maximum results.

Phosphates are the most important type of fertilizer, and annual requirements are estimated at 1,500,000 tons. Of this amount, only 90,000 tons were made available in 1945. Under an agreement recently signed with France, North Africa will supply up to 500,000 tons of phosphate rock during 1946, depending on the availability of shipping. UNRRA is also endeavouring to supply 50,000 tons of superphosphates, but there is some doubt as to the availability of these supplies. At any rate not much more than one-third of requirements will be received this year.

The situation with respect to nitrates is little better. About 700,000 tons per year are required, mostly for use during the early months up to the end of June. Only 34,600 tons were available in 1945, but for 1946 a total of 24,000 tons of ammonium nitrate and 54,000 tons of sodium nitrate are expected under the 1945 UNRRA program, while another 23,000 tons may

enter under the 1946 program. This amounts to 101,000 tons, or 15 per cent of requirements. However, the Italian nitrate industry is intact and may be able to produce additional quantities, if coal for the manufacture of ammonia is available.

Potash requirements are about 40,000 tons per year and, of this amount, 20,000 are expected under an agreement with France with respect to Alsatian potash. Since UNRRA may provide an additional 5,000 tons, some 62 per cent of requirements may be covered.

In addition to fertilizers, Italy requires about 80,000 tons of copper sulphate per year for parasite control. While only 18,000 tons were available against this requirement in 1945, it is expected that 50,000 tons may be produced domestically from copper imported under the UNRRA program. All the sulphur required (about 48,000 tons) can be obtained from Italian sources.

Seeds

The most important requirement under this heading is seed potatoes, of which 30,000 tons are needed. These potatoes are on order, 27,500 tons coming from Great Britain and 3,200 tons from the Netherlands. However, some of these have been diverted to the table-potato market and, if this is continued, it may seriously affect crop prospects this year.

Also included in the import program are 1,000 tons of field-pea seed, 3,000 tons of vetch, 300 tons of fibre flax seed and 100 tons of cotton seed.

Fodder

Because of a reduction in the number of live stock, fodder prospects for 1946 appear to be favourable. In addition to natural fodder, about 130,000 tons of oilseed cake is required. UNRRA imports of 20,000 tons of oilseed should produce about 13,000 tons of cake, and it is possible that the remainder may be obtained from domestic sources. Good prospects for the sugar-beet crop should also be helpful in this direction.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. T. J. Monty, formerly Trade Commissioner at Los Angeles, who is being transferred to Athens, Greece (territory includes Turkey); Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will re-open at Rome (territory includes Malta) the office formerly located at Milan; Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will open a new office at Leopoldville, Belgian Congo (territory includes Tanganyika, Kenya, Uganda, and Angola); and Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales).

Their itineraries as at present arranged are as follows:—

Mr. Monty

Montreal and Granby—July 2 to 13.
Quebec City—July 15 and 16.
Halifax—July 18 and 19.
Saint John—July 20.
Ottawa—July 22 to 24.

Mr. Manion

Hamilton (including Brantford)—June 17 to 19.
Kitchener and Galt—June 20.
Guelph—June 21.
Ottawa—June 24 and 25.
Fort William—June 27.
Winnipeg—June 28 and 29.
Vancouver—July 2 to 6.
Ottawa—July 10 to 13.
Montreal—July 15 to 24.
Quebec City—July 25 and 26.

Mr. Ausman

Toronto—June 17 to 22.
Hamilton—June 24 and 25.
Brantford—June 26.
Windsor—June 27.
Welland—June 28.
Winnipeg—July 2 and 3.
Edmonton—July 5.
Vancouver—July 9 to 15.
Victoria—July 17 and 18.
Calgary—July 24.

Mr. Vechsler

Toronto and district—June 17 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Vancouver, Edmonton, Winnipeg, and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

ECONOMIC CONDITIONS IN AUSTRALIA IN 1945

II

By F. W. FRASER, *Canadian Trade Commissioner at Melbourne*

Transportation and Communication

RAILWAYS

At the end of September, 1945, Australia had 27,144 miles of railways open to traffic, of which 26,439 were government-owned, the capital cost of construction and equipment being assessed at £325,038,638 at June 30, 1944.

Gross revenue for the year ended June 30, 1945, totalled £73,142,000 as

compared with £82,309,000 during the previous year and £46,588,000 in 1939-40. Expenditure amounted to £60,593,000 in 1944-45, £66,578,000 in 1943-44, and £36,368,000 in 1939-40. The number of traffic train-miles increased from 75,753,000 in 1939-40 to 90,111,000 in 1944-45, and the total freight carried advanced from 32,691,000 tons in 1939-40 to 37,630,000 tons in 1944-45.

The war demonstrated that the lack of standardized railway gauges seriously operated against the mobility of Australia's defence forces and hindered the transport of both war supplies and essential civil traffic, necessitating the imposition of severe restrictions on the movement of both passengers and freight. Early in 1944 the Australian cabinet adopted a threefold program for the standardization of railway gauges, and it was decided that the Director-General of Land Transport should prepare a report covering the scheme. The report was subsequently prepared and was considered by federal cabinet in April, 1945. The projects recommended by the Director-General of Land Transport provided for the expenditure of over £200,000,000.

In October, federal and state ministers and state railway commissioners reached agreement in principle on the unification scheme as presented by the Director-General of Land Transport, but up to the end of 1945 no agreement had been reached on the apportionment of costs between federal and state governments. It has been decided that the states will be the constructing authority, and it has been stated officially that virtually all equipment and labour required for the unification scheme will be obtained within the Commonwealth.

CIVIL AVIATION

While the number of registered aircraft in Australia only increased from 202 as at June 30, 1941, to 206 on June 30, 1945, the number of passengers carried increased by more than 100 per cent, from 154,259 to 342,070. During the same period, goods carried rose from 2,115,000 pounds to 4,756,000 pounds, mails carried (internal) increased from 234,000 pounds to 2,806,000 pounds and overseas mails from 313,000 pounds to 403,000 pounds. While the increase in passengers, goods and mails has been rapid, normal expansion has been handicapped by shortage of equipment, and a heavy increase is expected during the next few years.

MOTOR VEHICLE REGISTRATIONS

The number of motor cars registered in the Commonwealth (not including defence service vehicles) totalled 512,439 in December, 1945, as compared with 562,271 at the end of 1938-39. Commercial vehicles numbered 306,638 (258,025 in 1938-39) and motor cycles 63,941 (79,237 for 1938-39). The numbers of new motor vehicles registered during the twelve-month period ended December, 1945, was: motor cars, 1,089; commercial vehicles, 6,356; and motor cycles, 504. Comparative figures for the year 1938-39 were: motor cars, 54,107; commercial vehicles, 24,927; and motor cycles, 7,370.

The limited registration of new vehicles was, of course, entirely due to lack of supplies from overseas, and thus a heavy accumulated demand exists in the country to-day. The majority of the registered motor cars in Australia to-day are from ten to fifteen years old.

Petrol rationing was continued throughout 1945, although modest increases in the ration were made in September and October, when private cars were allowed an extra 1.5 to 3.5 gallons per month, according to horsepower.

TELEPHONES AND RADIO

The number of telephone lines connected in the Commonwealth as at December 31, 1945, was 591,789 as compared with 487,535 on June 30, 1939, and the number of broadcast listeners' licences in force was 1,484,453 in 1945 as against 1,129,786 in 1939.

Grazing and Agriculture

The widespread drought from which the Commonwealth had been suffering extended well into 1945 in most areas, the first relief coming to Western Australia, eastern Queensland and New South Wales. Rains fell later in other sections and became more or less general around the end of October. In the meantime, however, crop and dairy production were seriously affected, fodder supplies depleted, and heavy stock losses were recorded throughout the Commonwealth generally.

WOOL

The wool appraisalment scheme introduced at the outbreak of war to implement the British Government's wool purchase agreement completed its sixth year of operation under the direction of the Central Wool Committee, on June 30, 1945. The year's clip, as a result of the prolonged drought, was substantially smaller than for any previous year since the outbreak of war. The standard of quality was also lower, although comparing more than favourably with that of the wool years immediately preceding the war.

Wool production in 1944-45 totalled 3,120,138 bales (£62,512,576) as against 3,609,130 bales (£74,131,852) in 1943-44 and 2,962,399 bales (£39,123,031) in 1938-39.

The wool purchase agreement provided for the acquisition of the Australian clip by the British Government up to the end of the season immediately following the cessation of hostilities. This agreement accordingly terminates at the close of the 1945-46 wool year, the price to the grower remaining at 15.45d. per pound. As the accumulated war surplus of some 10,000,000 bales held by the British Government appeared to offer a threat to the disposal of the current and subsequent years' production, a new agreement was concluded during the year between the representatives of the governments of Australia, Britain, New Zealand and South Africa, providing for a joint scheme for the underwriting by the partner governments of the income of Dominion wool-producers during the period required for the disposal of the accumulated wool stocks. While the agreement will enable the disposal of these stocks to be spread over a period of fourteen years, it is probable that they will be absorbed within a much shorter time.

WHEAT

In 1944-45, a total of 8,400,000 acres was planted in wheat, producing 52,000,000 bushels, or about 6.2 bushels to the acre, as compared with 14,300,000 acres in 1938-39, when 155,000,000 bushels were produced, or about 10.9 bushels per acre. The

wartime average production was about 12 bushels per acre. Estimates for 1945-46 are placed at 11,440,000 acres planted, with production at 144,000,000 bushels, which approaches the normal average. The production goal for 1946-47 for wheat for grain has been approved at 15,500,000 acres, or about four million acres more than was sown in 1945-46, and 2,500,000 acres above the pre-war five-year average. Stocks of wheat and flour (as wheat) held in Australia as at November 30, 1945, amounted to only 11,463,000 bushels as compared with 77,877,016 bushels and 154,020,000 bushels as at November 30, 1944 and 1943, respectively.

A plan for the stabilization of wheat production and prices was put into operation during the 1942-43 season and continued until 1945-46. This plan provided for the registration of farms, the licensing of areas and a guaranteed price to farmers.

Early in 1946 a new wheat stabilization plan was drawn up by agreement between the federal and state authorities, providing for a guaranteed home consumption price of 5s. 2d. a bushel f.o.r. ports, bagged, for all wheat marketed in Australia, also a guaranteed price to growers of 5s. 2d. a bushel f.o.r. ports, bagged, for all f.a.q. wheat exported during the five seasons 1945-46 to 1949-50. The plan also provides that, when export prices exceed the guaranteed price, 60 per cent of the excess goes to a fund to be established to assist in paying the guaranteed price when export prices fall below it. The necessary legislation which is expected to be passed by the Commonwealth and state parliaments during the first part of 1946 will consist of a Commonwealth and a state wheat stabilization Bill and a Commonwealth Bill to impose a charge upon the export of wheat and wheat products.

MEAT PRODUCTION

Unrevised figures disclose a further reduction in the production of all types of meats. The output of beef and veal for 1944-45 amounted to 465,000 tons as compared with 473,000 tons during the previous twelve months and 556,-

000 tons for 1938-39. Mutton and lamb were also down, production in 1944-45 totalling 330,000 tons as against 424,000 tons during the previous year, although slightly higher than in 1938-39, when output was 320,000 tons. Pig meat, production of which had steadily increased during the war years to 130,000 tons in 1943-44, dropped back to 121,000 tons in 1944-45.

The live-stock population suffered severely from the drought, particularly sheep, which were lower by nearly 18 million head at March 31, 1945, than at the same date in 1944, the actual figures being, in round numbers, 105 million and 123 million respectively. Losses continued until after the widespread rains in June, following which there was a considerably increased demand for re-stocking purposes, but it will take some years to recover the losses incurred.

DAIRY PRODUCTS

Factory butter production, which totalled 195,000 tons in 1938-39, had dropped to 137,000 tons in 1944-45. Estimates for 1945-46 are placed at 141,900 tons.

Factory cheese, on the other hand, increased during the same period from 29,000 tons to 34,600 tons, and the forecast for 1945-46 is 35,000 tons.

Processed milk rose from 33 million gallons to 59.5 million gallons; the estimate for next season is about the same volume. Actual results for the first five months of the 1945-46 season (i.e. to the end of November, 1945) are slightly below the estimate.

Dried Fruits.—Production of dried vine fruits, which include currants, sultanas and leixias, reached an all-time high in 1943-44 at 104,194 tons. A severe setback, however, came in 1944-45, as a result of poor growing conditions, and output dropped to 68,000 tons. The 1945-46 goal, which was fixed at 95,000 tons, showed early promise, but untimely rains caused severe damage, and the latest estimates put the current crop at not more than 80,000 tons.

OTHER PRODUCTS

Barley production in 1944-45 was the lowest for many years, amounting to only 5,030,000 bushels as compared with 10,800,000 bushels for 1938-39, and it was found necessary to import considerable quantities of malting grades. The oat crop was largely a failure, and 21,000 tons for milling purposes were imported to make good the deficiency. Increased plantings were approved for the 1945-46 season, and recent estimates indicate a reasonably good crop. Potato production, which was stepped up during the war years to provide for the greatly increased service personnel in the southwest Pacific and which rose from 274,000 tons in 1938-39 to 800,000 tons in 1944-45, is expected to decline to a normal level, and a reduction in plantings by 25 per cent has been approved for 1945-46.

Vegetable production (other than potatoes) was also increased substantially during the war, the acreage planted being about doubled. A sharp reduction in plantings is expected as service demands for fresh and canned vegetables decline. Apple production in 1944-45 dropped to 10.7 million bushels from the previous year's total of 14.5 million bushels; pineapples declined from 2,026,000 dozen to 1,591,000 dozen; bananas from 2.11 million bushels to 1.96 million bushels, while pear production rose from 2.7 million bushels to 3.3 million bushels, and citrus fruits from 5.3 million bushels to 5.6 million bushels.

Secondary Industry in 1945

It is hardly necessary to comment here on the expansion which has taken place in Australia's secondary industry as a result of the war. The total value of production of manufactured goods during 1943-44 (latest figures available) was £366,235,487 as compared with £203,416,610 in 1938-39, while the number of factories increased from 26,941 in 1938-39 to 27,674 in 1943-44. The greatest increase was in the industrial metals, machines, implement and conveyances industry, the net value of production of which was £157,000,000

in 1943-44 as compared with £62,000,-000 in 1938-39.

Early in 1945, with the end of the war in sight, considerable attention was given by authorities in Australia to future plans for Australia's manufacturing industry, and in February a conference was held in Canberra between representatives of the Federal Government and the Associated Chambers of Manufacture to discuss the matter. At this conference the Prime Minister said "the Australian Government intends to adhere to the policy of adequately protecting industries which are reasonably assured of sound opportunities of success, which assist the diversification of our economy, contribute to employment and the raising of living standards of the community". It was also pointed out at the conference that the Government is interested in expanding Australia's export trade and that, for this purpose, a Federal Export Advisory Committee, composed of representatives of Associated Chambers of Commerce and Manufacture and Government Departments, had already been formed, and the Australian Trade Commissioner Service would be expanded.

There were interesting developments in 1945 in connection with the proposed manufacture of motor cars in Australia. Early in the year the Federal Government asked that plans be submitted for the manufacture within the Commonwealth of a complete motor car, the invitation being extended to organizations making cars in Britain, Canada and the United States and to those engaged in producing motor bodies and other automotive parts in Australia. Proposals were submitted to the Government by seven organizations.

Another instance of the Government's interest in building up Australia's secondary industry was the Wool Use Promotion Bill, passed by Parliament in May, under which the sum of £600,000 will be made available to the wool and wool textile industry for the provision of publicity and research facilities.

The Federal Government's policy of industrial decentralization was followed throughout the year and, with the

assistance of the Secondary Industries Commission, hundreds of manufacturing industries were established in various country towns throughout the Commonwealth, many of them being clothing and textile factories.

One of the most important industrial events of the year was the embarkation by the Broken Hill Company on a vast expansion of production in every department of their huge steel, ship-building and coal undertakings. The project, reported to involve an expenditure of £7,000,000, comprises the construction of an ore-extraction plant and deep-sea port at Yampi Sound; the building at Whyalla of four 12,500-ton steamers; the erection at Port Kembla of a new battery of modern by-product coke ovens and new 10-inch rod merchant bar and strip rolling-mill, and the mechanization of collieries at Bulli and Newcastle coal-fields.

Some of the more important plans made during the year for the expansion of secondary industry in the Commonwealth were as follows:—

Rayon and Nylon.—The establishment is planned for a £1,000,000 mill by a Canadian company at Wangaratta, Victoria, for the manufacture of artificial silk and wool and silk dress fabrics; and for a factory at Rutherford, near Newcastle, N.S.W., for the manufacture of nylon, rayon and other synthetic fibres, with an initial capital outlay of about £350,000. Eventually it is planned to spend £1,000,000 on this factory. A £5,000,000 rayon factory is to be built at Hexham, New South Wales, by a well-known English rayon firm.

Wool.—It is proposed to establish a chain of thirty woollen mills throughout Australia by British, Australian and Indian interests by a company with a proposed capital of £20,000,000.

Paper.—The Australian Newsprint Mills Pty. Limited of Tasmania were reported to be considering large extensions involving the expenditure of at least £2,000,000, and possibly up to £4,000,000. The Australian Paper Manufacturers Ltd., Melbourne, operators of a chemical pulp mill and four

paper mills making various grades of paper and paperboard, floated a public issue of debentures in July, 1945, amounting to £2,250,000. The Associated Pulp and Paper Mills Limited, Tasmania, were also reported to be planning large extensions of their mills.

Abrasive Powders.—The manufacture of abrasive powders is planned

in Tasmania, the plant for which may cost up to £100,000 for the first unit.

A £3,000,000 company for the manufacture in Tasmania of cardboard lithography and photographic products, dyestuffs, paints, varnishes, drugs and pharmaceutical preparations, has been registered in that state.

NEW FIVE YEAR PLAN FOR THE SOVIET UNION

INLAND WATER TRANSPORT

Contributed by the European Section of the Foreign Trade Service

During the war, owing to the great strain on railway transport and to the inadequacy of road transport, the deficiencies of the inland water transport system of the Soviet Union were keenly felt. Furthermore, the development of the water transport system is closely linked with the plans for reorganization and expansion of the timber industry.

Despite the evident advantages of water transport over great distances, the average water shipping distance in the years previous to the war fell out of all proportion to the economical use of new railway facilities available, while the average figure for railway freighting has, by comparison, risen steadily, even over those routes where alternative water transport should have been available. This is stated to be due partly to the exploitation of local resources and the development of local economies but chiefly to the shortage of barges for freight transportation over long distances and to faulty planning of the distribution of freight among the various means of transport. Before the war the operating waterways of the Soviet Union totalled 56,170 miles and carried less than 13 per cent of the freight of the country. Approximately 39 per cent of this river freight was timber and firewood, 26 per cent oil, 20 per cent salt and 12 per cent grain. The 1939 Congress of the Communist Party laid down the not unreasonable policy of an increase in river shipping, mainly for mass freight such as timber, grain, coal and oil. The Fourth Five-year Plan provides that in 1950 the cargo carried on the

inland waterways shall be increased to 38 per cent above the pre-war level.

Volga-Kama System

The Volga's direction, depth and economic hinterland make it the leading inland waterway. Whereas before the war its freight accounted for half the total shipping carried by the inland waterways, in 1944 the proportion carried by the Volga-Kama system amounted to three-quarters of the total. This system connects the oil fields of the Baku, the fertile Volga plain, and the salt and building materials producing regions of the upper Volga with Moscow through the Moscow-Volga canal, completed in 1937, and through the Mariinsk System with Lake Ladoga and Leningrad. Baku oil and Donetz coal move upstream, while wood floats down current. The restoration and improvement of the fleet of the Volga-Kama basin is an immediate problem of the new Plan, especially as the river fleet is reduced in numbers and is in poor technical condition. The Moscow-Volga and North Donetz canals were repaired in the first year after liberation, but high on the priority list of tasks for the next five years is the reconstruction of the Mariinsk System, interrupted by the war. The Mariinsk Canal connects the headwaters of the Volga System with Lake Ladoga and Leningrad. Completed in 1808, it has been frequently enlarged, and the replacement of its rotting walls and locks is long overdue. The Stalin White Sea-Baltic canal is slated to be restored,

and in the detailed plan for the Ukrainian Republic emphasis is placed on the extensive adaptation of small rivers for navigation purposes.

Transport of Grain

Before the revolution, and for some years after, most of the grain was transported by water, but in recent years grain has been shipped for but short distances. In 1940 the transportation of grain within separate regions through which the Volga-Kama river system passes increased 50 per cent, while the average distance of grain transportation was reduced slightly over 300 miles. The large flour mills of the upper Volga received only 30 per cent of their grain by water. Long-distance water transportation of North Caucasus grain developed as a wartime measure in order to relieve the strain on the railways in the central districts. The river transport of grain is to account for a considerable percentage of the total increase laid down by the new Five-year Plan.

Shipment of Coal

Until the Donetz basin is fully restored, transportation of coal through the Volga cannot reach its former volume, and the Volga areas will receive coal from the Kuznets basin, which will be delivered partly by water and partly by rail as a temporary measure. The transportation of coal from the Pechora basin to Murmansk and the White Sea ports came to a standstill during the war. It is to be renewed and developed as a measure of reducing the strain on the railway transport to Murmansk.

Transport of Oil

Rail transport for oil has been inadequate, and it is stated that waterways are being insufficiently used for this purpose. For example, almost 45 per cent of the oil transported to Moscow and Kalinin Oblasts before the war came by rail; 20 per cent by a round-about route through the Black Sea and Odessa, thence by rail; 24 per cent through Astrakan, thence for a short

distance up the Volga; and only 13 per cent entirely by water. Leningrad received less than 9 per cent of its oil supply through the Mariinsk system, 49 per cent through Odessa, 25 per cent by rail and slightly over 17 per cent through the Volga as far as Stalin-grad or Seratov, whence the oil was transported by rail. As oil shipments by water to Leningrad will be limited until such time as the Mariinsk system is reconstructed, oil will meanwhile be transported by water to the head of navigation on the Volga and the remainder of the distance by rail. A more extensive use of the Mariinsk system and the Baltic White Sea canal is planned to provide oil for the northern districts during the navigation season. Before the war only about 25 per cent of the oil used by the regions along the Dnieper were shipped via that river (to Nikopol, Dnepropetrovsk and Kiev). It is stated that in this case the proportion of shipping must be raised by more than 50 per cent to include the upper sections of the basin. Such a plan envisages not only the restoration but a major development of the Dnieper tanker fleet.

Development Beyond the Urals

The most significant and interesting feature of the new Plan, so far as inland water transport is concerned, is the development of the water transport system beyond the Urals, in connection with the exploitation of the immense timber resources of the area. Details concerning this development, with particular reference to the Ob, Lena, Irtysh and Yenisei were given in a recent statement of the Minister of the River Fleet, published in *Izvestiya*. The previously backward character of the economic development and the sparse population of the drainage areas of these great rivers are indicated by the fact that the Ob, Yenisei and Lena together before the war accounted for but one-fourteenth of the total freight carried by the inland waterways of the Soviet Union. The Minister emphasized the importance of developing navigation on the Tara-Irtysh system, which connects the grain-growing districts of

Kazakstan with the Urals. Grain was first shipped in this way during the war, owing to the inadequacy of highways and motor transport. A regular traffic is now in operation on the Tara river for a distance of 125 miles, and each year more than ten thousand tons of grain are shipped via this route. Difficulties encountered in the development of the navigation of the Upper Yenisei are stressed by the Minister of the River Fleet. The river-bed is crossed with many rapids, and the bottom is covered with sharp stones. Nevertheless, the river is being cleared and developed for navigation because of its great economic importance to the region.

Improved Facilities

In order to carry out the ambitious plan for reorganization and development of the inland water transport

system, the new Plan provides that by 1948 all vessels, ports and wharves shall have been rebuilt on the Dnieper, Pripit, Don and other important rivers, and the cargoes carried in these regions brought up to the pre-war level. The turn-round of self-propelled and towed vessels is to be stepped up, while the use of towed vessels is to be on the average 25 per cent greater than in 1940. Existing river ports, wharves, shipping improvement, and loading and unloading of river vessels shall eventually be completely mechanized. By 1950 three-quarters of this task shall have been accomplished. Five new shipyards are to be built, and repaired ones are to be adequately supplied with machinery and materials. The constituent republics are charged with the development of small rivers for the transport of local cargo, including the building of self-propelled and towed vessels.

EXPORT AGENCY APPOINTMENTS

The following letter from Sir William McCallum, K.B.E., Chairman of the British Chamber of Commerce in the Argentine Republic, which appeared in *The Economist* of March 30, 1946, is reproduced as being of direct interest to Canadian exporters:—

"During the past year much has been heard about Great Britain's vital need to increase her exports by at least 50 per cent over the pre-war level. There are many elements which can influence the expansion of British trade but, in this brief reference, I wish only to draw attention to one factor in particular: I refer to the question of unsuitable representatives or agents of British manufacturers and exporters abroad.

From the experience of this Chamber of Commerce, the following would seem to be the most common forms of error incurred when appointing representatives abroad:

1. Unsuitability of agent on score of nationality or ideology. During the recent war, as also during the previous one, there were cases in which local representatives of British firms were placed on the Statutory List, whilst

others holding good British agencies took little trouble to disguise their anti-Allied sympathies.

2. Inadequacy of capital or organization to develop the sales of certain products entrusted to a given agent.

3. The placing of an agency with a firm or person whose experience and activities are in another line of business.

4. The agency for a modest line of goods which needs energy and concentrated work is frequently placed with firms where it is overlooked by other lines which produce quicker results with less expenditure of effort.

5. The placing of an agency with a firm holding numerous Continental or other agencies of a competitive nature, whose only object in accepting British representation is to eliminate the competition which would otherwise have to be contended with from British goods.

There have been many instances in which agencies have been placed without due regard to the eligibility of the local firm appointed, and even today there would still seem to be a reluctance on the part of United King-

dom concerns to avail themselves of the facilities which now exist and which would obviate the unfortunate experiences which have resulted from errors in the past. Actually cases are still occurring where agencies are being entrusted to individuals who, although no longer on the Statutory List, are known to have been Axis sympathizers.

It is considered that without the exercise of the utmost care in the selection of a proper sales organization

abroad—be it an agent, representative or branch office—the success of the trade drive will be seriously impaired.”

The foregoing remarks may be applied with equal force to Canadian exporters. Such conditions, however, may be avoided by Canadian firms making full use of the Canadian Trade Commissioner service, whose officers abroad are in a position to give competent confidential advice as to suitable agents.

INTER-AMERICAN TRADE EXPOSITION AT FORT WORTH, TEXAS

The Texas Pan-American Association is planning an Inter-American trade exposition and conference for this year in the Will Rogers Memorial Coliseum at Fort Worth, Texas, from October 6 to 12 inclusive.

The purpose is to provide a common meeting-ground for importers and exporters of North and South America.

Canadian exporters interested in displaying their manufactured goods or raw materials at this exposition should communicate with M. N. Hardesty, Managing Director, Texas Pan-American Association, Chamber of Commerce, Fort Worth 2, Texas, U.S.A. Rental for booths, approximately 10 feet square, is \$200.

CANADA'S EXTERNAL TRADE IN APRIL

The external trade of Canada in April, excluding gold, was valued at \$341,028,000 as compared with \$319,922,000 for March and \$451,938,000 for April, 1945, according to figures released by the Dominion Bureau of Statistics. The decrease of 24.5 per cent from the April, 1945, total was slightly lower than that indicated in March, when it was 27 per cent.

As in preceding months of the year, the decrease in the April trade, as compared with April last year, was due to practical cessation of export shipments of war materials and supplies. Imports, on the other hand, have been heavier so far this year, and the April total advanced by 16.8 per cent. For the first four months of the current year the aggregate value of external trade was \$1,264,333,000 as compared with \$1,607,713,000 for the same period of last year.

Exports

Domestic commodity exports in April were valued at \$178,488,000 as com-

pared with \$178,377,000 in March and \$312,323,000 in April, 1945. The total for the first four months of the current year was \$699,098,000 as against \$1,080,360,000 for the corresponding period of last year.

Imports

Merchandise imports into Canada showed a marked advance in April, being valued at \$160,765,252 as compared with \$139,949,326 in March and \$133,827,107 in April last year. The April figure is the highest for any month since October, 1943, when imports reached a value of \$162,920,856. Import values for each of the first four months of the year have shown increases over those for the corresponding months of 1945, the total for the period standing at \$558,020,251 as compared with \$508,371,172.

Commodity imports from the United States increased in April to \$114,759,504 as against \$100,132,087 in March and \$102,698,286 in April last year.

The total for the four months was slightly lower, however, at \$398,342,149 as compared with \$402,652,458 last year, due to a decline in March.

Imports from the United Kingdom rose sharply to \$21,223,597 in April from \$14,434,550 in the preceding month and \$11,972,990 in April last year, and for the four months January-April totalled \$68,719,907 as against \$37,390,875 for the similar period of 1945.

Among British Empire countries, imports from British India were valued at \$3,553,199 (\$1,751,803 for April, 1945); Australia, \$1,006,838 (\$1,410,251); Jamaica, \$914,920 (\$201,448); New Zealand, \$878,840 (\$40,249); British South Africa, \$776,822 (\$926,656); British Guiana, \$552,932 (\$1,058,989); Newfoundland, \$544,443 (\$427,967); and Barbados, \$516,975 (\$335,700). Including the United Kingdom, the April total for imports from the British Empire countries was \$31,904,455 as compared with \$20,597,505 last year.

Among foreign countries, the leading sources of supply were: Brazil, \$1,135,551 (\$1,043,359 in April, 1945); Colombia, \$654,404 (\$1,030,174); Cuba, \$726,347 (\$223,731); Honduras, \$1,-

669,326 (\$861,876); Mexico, \$2,281,867 (\$1,589,567); Salvador, \$680,070 (\$418,763); Switzerland, \$732,467 (\$442,715); Venezuela, \$1,786,893 (\$1,581,797).

Increases were recorded in April for imports in all commodity groups except non-ferrous metals and their products. Imports in the agricultural and vegetable products group were valued at \$25,415,000 as compared with \$20,729,000 last year; animals and animal products, \$4,586,000 (\$3,679,000); fibres, textiles and textile products, \$21,038,000 (\$16,705,000); wood, wood products and paper, \$6,334,000 (\$4,298,000); iron and its products, \$41,132,000 (\$34,079,000); non-ferrous metals, \$9,331,000 (\$9,660,000); non-metallic minerals, \$24,347,00 (\$21,144,000); chemicals and allied products, \$8,937,000 (\$6,801,00); and miscellaneous, \$19,645,000 (\$16,732,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of April and the four months ended April, 1945 and 1946:—

Imports by Principal Countries

	Month of April		Four months ended April	
	1945	1946	1945	1946
All countries	\$ 133,827,107	\$ 160,765,262	\$ 508,371,172	\$ 558,020,251
British Empire	20,597,505	31,904,455	75,203,925	108,885,457
United Kingdom	11,972,990	21,223,597	37,390,875	68,719,907
Eire .....	.....	.....	2,979	6,782
Africa—				
British East	131,783	183,175	504,150	1,183,215
British South	926,656	776,822	2,391,183	3,372,395
Southern Rhodesia	53,322	5,123	215,885	28,204
British West—				
Gold Coast	672,692	470,050	3,051,672	1,306,853
Nigeria	254,141	53,579	1,374,915	1,179,995
Bermuda	50	3,801	4,806	8,845
British East Indies—				
British India	1,751,803	3,553,199	12,267,529	10,778,960
Ceylon	449,681	351,488	2,445,739	1,159,964
Straits Settlements .....	.....	310,940	.....	974,322
British Guiana	1,058,989	552,932	2,952,525	2,047,884
British Honduras	5,872	262,339	243,766	486,978
British Sudan	2,868	4,339	16,184	15,044
British West Indies—				
Barbados	335,700	516,975	1,644,397	674,715
Jamaica	201,448	914,920	1,580,253	3,834,326
Trinidad and Tobago	837,796	145,854	1,333,744	790,841
Other British West Indies..	45,484	36,926	440,687	244,433
Hong Kong .....	.....	955	.....	13,260
Malta	3,332	141	3,825	26,109

Imports by Principal Countries—Con.

	Month of April		Four months ended April	
	1945	1946	1945	1946
British Empire— <i>Con.</i>				
Newfoundland	427,967	544,443	1,603,428	1,929,987
Oceania—				
Australia	1,410,251	1,006,838	4,091,590	4,995,079
Fiji .....	.....	.....	637,925	1,236,944
New Zealand	40,249	878,840	853,212	3,212,060
Other British Oceania .....	.....	.....	.....	420,074
Palestine	14,031	107,179	152,256	238,281
Foreign countries	113,229,602	128,860,807	433,167,247	449,134,794
Abyssinia .....	.....	.....	.....	1,105
Afghanistan	60,761	127,901	122,937	940,536
Argentina	905,070	358,834	2,814,614	1,708,794
Belgium	35	433,309	109	1,027,651
Belgian Congo	539	274,172	5,715	344,446
Bolivia .....	.....	.....	25,378	15,031
Brazil	1,043,359	1,135,551	2,039,875	4,155,105
Chile	25,845	36,056	182,320	132,136
China .....	.....	273,418	.....	649,975
Colombia	1,030,174	654,404	3,472,539	3,181,335
Costa Rica	2,294	89,392	63,788	220,463
Cuba	223,731	726,347	1,444,236	2,884,555
Czechoslovakia .....	.....	16,578	.....	41,982
Denmark .....	.....	6,581	.....	10,792
Ecuador	261,962	20,002	596,213	44,777
Egypt	42,426	7,520	125,107	124,307
Finland .....	.....	.....	.....	1,454
France	1,100	100,536	2,641	392,181
French Africa .....	.....	51,397	25,503	244,109
French Oceania	732	81	14,649	14,042
Madagascar	2,821	34,371	42,570	64,688
Greece .....	.....	2,000	.....	6,323
Guatemala	154,835	294,814	324,761	1,097,065
Hayti (Republic of)	50,458	322,588	152,860	608,890
Honduras	861,876	1,669,326	2,311,561	4,730,838
Iraq	15,389	1,698	659,604	1,155,415
Italy .....	.....	93,849	.....	99,756
Mexico	1,589,567	2,281,867	5,073,442	7,525,973
Morocco	12,527	.....	85,523	17,927
Netherlands	5,134	302,744	17,384	581,636
Netherlands East Indies .....	.....	1,384	4,640	3,976
Netherlands West Indies	77,139	61,616	406,363	269,692
Nicaragua .....	.....	3,162	.....	4,407
Norway	91,873	10,440	203,818	32,874
Panama	7,720	.....	8,604	500
Paraguay	9,237	.....	60,700	5,782
Persia	18,057	42,458	45,096	186,676
Peru	55,561	7,038	81,413	197,290
Portugal	62,346	215,428	276,757	725,396
Azores and Madeira	4,279	11,700	12,269	49,819
Portuguese Africa	73,398	73,429	104,376	398,000
Russia (U.S.S.R.)	136,867	221,810	547,398	1,124,996
Salvador	418,763	680,070	507,580	1,429,820
San Domingo	776,375	34,405	1,757,455	1,857,103
Spain	445,411	452,320	996,847	1,889,289
Sweden	766	285,079	7,484	1,368,165
Switzerland	442,715	732,467	1,201,688	2,761,994
Syria	2,042	202	8,619	4,774
Turkey	1,352	29,532	8,437	201,892
United States	102,698,286	114,759,504	402,652,458	398,342,149
Alaska	1,164	8,809	24,750	21,053
Hawaii .....	.....	56,030	.....	94,492
Puerto Rico	245	47,341	10,248	109,390
Uruguay	18,490	23,049	34,831	37,370
Venezuela	1,581,797	1,786,893	4,553,902	5,972,516

Imports by Principal Commodities

	Month of April		Four months ended April	
	1945	1946	1945	1946
	Thousands of Dollars			
Total imports	133,827	160,765	508,371	558,020
Agricultural and vegetable products	20,729	25,415	72,623	94,843
Fruits	5,128	7,371	18,837	26,729
Fruits, fresh	4,065	5,275	15,120	19,470

	Month of April		Four months ended April	
	1945	1946	1945	1946
Agricultural and Vegetable Products— <i>Con.</i>				
Fruits— <i>Con.</i>		Thousands of	Dollars	
Fruits, dried	584	618	2,623	4,127
Fruits, canned	212	239	592	968
Fruit juices and fruit syrups	268	1,239	502	2,164
Nuts	614	1,320	2,761	7,516
Vegetables	2,228	5,182	7,047	14,238
Vegetables, fresh	2,166	5,105	6,859	13,987
Vegetables, dried	2	46	20	186
Vegetables, canned	1	9	43	13
Pickles, sauces and catsups	59	22	125	52
Grains and products	886	1,642	3,456	5,407
Rice	177	52	898	619
Oils, vegetable, edible	58	198	118	862
Sugar and products	2,757	1,905	10,074	9,891
Sugar	2,694	1,329	9,824	7,939
Cocoa and chocolate	633	22	1,583	842
Coffee and chicory	867	1,657	1,348	5,840
Spices	51	94	201	331
Tea	1,426	327	8,417	3,657
Vegetable products, other, mainly food.....	54	58	281	843
Beverages, alcoholic	437	848	2,080	3,798
Beverages, distilled	382	666	1,809	3,120
Wines	50	183	251	675
Gums and resins	262	500	1,713	1,616
Oil cake and oil cake meal	11	24	55	111
Oils, vegetable, not edible	1,385	832	4,138	3,302
Plants, shrubs, trees and vines	103	336	270	625
Rubber	3,107	1,514	7,012	4,974
Rubber, crude	2,333	442	4,070	1,466
Seeds	156	264	1,047	1,008
Tobacco	220	282	738	1,050
Vegetable products, other, not food	346	1,040	1,447	2,204
Animals and animal products	3,679	4,586	14,346	21,641
Animals, living	228	301	471	704
Bone, ivory and shell products	56	62	227	225
Feathers and quills	18	26	55	94
Fish and fishery products, n.o.p.	285	335	948	1,180
Fish, fresh and frozen	242	277	767	936
Fish, dried, salted, pickled, smoked	26	24	86	114
Fish, canned or preserved	3	5	25	29
Furs	1,640	2,015	7,224	11,842
Undressed furs	1,074	1,194	5,296	8,623
Hair and bristles	114	229	245	537
Hides and skins, raw	119	104	1,001	693
Leather, unmanufactured	335	348	1,066	1,287
Leather, manufactured	341	421	1,136	1,458
Meats	109	78	279	354
Milk and products	20	31	114	157
Animal oils, fats, greases and wax.....	171	107	582	1,497
Animal products, other	241	530	998	1,612
Fibres, textiles and textile products	16,705	21,038	67,704	77,685
Cotton	7,205	8,387	31,910	34,032
Raw, and linters	3,070	2,780	13,682	13,960
Yarn	650	709	2,359	2,695
Fabrics	2,861	4,029	13,446	14,309
Flax, hemp and jute	999	3,685	5,536	8,499
Yarn	139	134	545	450
Fabrics, flax and hemp	65	222	284	746
Fabrics, jute	538	2,763	3,768	5,656
Silk	187	229	697	940
Fabrics	183	221	685	916
Wool	3,931	4,494	13,924	17,675
Raw wool	1,140	1,086	3,097	5,154
Noils and tops	612	699	1,741	2,567
Yarn	639	408	2,391	1,979
Worsted and serges	789	1,067	2,672	3,902
Fabrics, other	629	649	2,099	2,300
Artificial silk	2,485	1,775	7,975	6,170
Yarn, twist and thread	1,406	888	4,372	2,916
Fabrics	1,053	749	3,497	2,846
Fibres and products, other.....	544	800	2,560	4,452
Mixed textile products	1,355	1,667	5,101	5,917

Imports by Principal Commodities—Con.

	Month of April		Four months ended April	
	1945	1946	1945	1946
	Thousands of		Dollars	
Wood, wood products and paper	4,298	6,334	15,481	21,885
Wood, unmanufactured	570	621	2,006	2,320
Planks and boards	388	369	1,346	1,428
Wood, manufactured	703	1,028	2,630	3,197
Wood-pulp	120	43	414	366
Paper	1,191	1,646	4,272	6,076
Books and printed matter	1,835	3,039	6,572	10,292
Iron and its products	34,079	41,132	129,289	127,713
Iron ore	382	7	1,110	36
Ferro-alloys	97	15	311	86
Pigs, ingots, blooms, billets	418	103	1,357	207
Scrap iron	117	149	279	321
Castings and forgings	838	594	3,235	1,897
Rolling mill products	5,063	5,622	17,159	14,774
Pipes, tubes and fittings	377	788	1,744	2,314
Wire	380	372	1,433	1,107
Chains	186	121	726	495
Engines and boilers	1,858	1,969	10,048	6,625
Farm implements and machinery	4,494	4,667	16,172	16,593
Hardware and cutlery	404	547	1,384	1,986
Machinery (except agricultural)	8,052	10,662	27,389	36,385
Springs	7	232	53	364
Stamped and coated products	176	285	593	882
Tools	678	963	2,597	3,223
Vehicles, chiefly of iron	7,734	10,134	32,568	26,902
Automobiles, freight	132	302	1,513	905
Automobiles, passenger	6	1,323	474	2,963
Automobile parts	6,506	7,793	28,220	21,406
Iron products, other	2,818	3,903	11,131	13,516
Non-ferrous metals and their products	9,660	9,331	34,127	31,410
Aluminium	693	635	1,707	1,926
Brass	356	538	1,420	1,784
Copper	77	99	308	506
Lead	31	12	123	46
Nickel	119	289	371	878
Precious metals (except gold)	1,120	1,422	1,799	2,961
Tin	8	53	1,651	1,782
Zinc	98	173	282	632
Alloys, n.o.p.	83	77	268	291
Clocks and watches	454	623	1,368	2,444
Electrical apparatus	4,226	4,106	16,066	13,922
Radio and wireless apparatus	1,612	1,011	6,491	3,600
Gas apparatus	25	54	102	142
Printing materials	112	160	374	600
Non-ferrous metals, other	2,256	1,090	8,289	3,496
Non-metallic minerals and their products	21,144	24,347	71,937	89,083
Asbestos	166	150	717	543
Clay and products	1,262	1,602	4,204	5,563
Coal and products	8,570	9,014	31,632	41,033
Coal	7,408	8,152	28,407	36,656
Coke	1,040	740	2,809	3,878
Glass and glassware	1,639	1,888	5,451	6,576
Graphite	45	62	152	168
Mica and products	14	11	85	71
Petroleum products	7,389	9,001	23,364	27,068
Stone and products	708	1,215	2,864	3,366
Non-metallic minerals, other	1,351	1,403	3,468	4,693
Chemicals and allied products	6,801	8,937	25,787	30,490
Acids	253	277	1,043	1,067
Alcohols, industrial	32	19	84	195
Cellulose products	461	605	1,725	2,070
Drugs and medicines	822	980	2,987	3,242
Dyeing and tanning materials	689	794	2,560	2,896
Explosives	64	50	314	305
Fertilizers	263	506	986	1,677
Paints and varnishes	801	914	2,790	3,402
Perfumery, cosmetics, toilet preparations....	35	46	128	166
Soap	13	198	45	332
Inorganic chemicals, n.o.p.	919	1,180	3,316	3,881
Potash and compounds	87	56	294	207
Soda and compounds	256	464	1,087	1,624
Chemical products, other	2,446	3,368	9,808	11,258

	Month of April		Four months ended April	
	1945	1946 Thousands of	1945 Dollars	1946
Miscellaneous commodities	16,732	19,645	77,078	63,271
Amusement and sporting goods	222	614	893	1,656
Brushes	25	72	82	203
Containers, n.o.p.	132	176	495	657
Household and personal equipment, n.o.p....	731	1,741	2,601	5,227
Refrigerators and parts	32	482	90	1,391
Mineral and aerated waters	1	5	1	5
Musical instruments	79	228	259	587
Scientific and educational equipment	776	1,276	3,056	3,980
Ships and vessels	10	55	1,193	278
Vehicles, except iron	1,678	1,170	8,333	3,428
Aircraft (excluding engines)	1,645	1,071	8,205	3,154
Paintings and other works of art	97	132	304	717
Miscellaneous commodities, other	12,979	14,176	59,861	46,533
War materials (Order in Council)	7,927	267	42,623	2,543

POSTAL SERVICES AND RATES

Czechoslovakia, Estonia, Hungary,
Latvia and Lithuania

NORMAL WEIGHT LIMIT FOR AIR MAIL
APPLICABLE

The normal weight limit of 4 pounds 6 ounces will now apply to air mail for the above destinations. Merchandise must not be enclosed in letter packages to Estonia, Latvia and Lithuania.

Netherlands

COMMERCIAL PARCEL POST SHIPMENTS

Information has been received that the importation of commercial shipments into the Netherlands is permitted by parcel post only if the addressee has obtained an import permit from the authorities in that country and has made arrangements as regards payment for the goods with the Netherlands Bank.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT CONTROL REGULATIONS
AMENDED

By Order in Council P.C. 2233 of June 4, 1946, effective June 8, 1946, Regulation 5 of the Export Permit Regulations is amended to read as follows:—

5. (a) Commodities, other than those enumerated in Schedule One to Order in Council P.C. 7674 of October 4, 1941, as amended, may be exported to any of the following areas without the requirement of an export permit:—

(1) Any part of the British Empire and its protectorates;

(2) Any destination within the Western Hemisphere, and possessions and protectorates of the United States;

(3) Belgium, France, the Netherlands, and their colonies and protectorates;

(4) Albania, Czechoslovakia, Denmark, Finland, Greece, Green-

land, Iceland, Italy and former Italian possessions, Luxembourg, Norway, Poland, Portugal and its possessions, Sweden, Switzerland, Turkey, Union of Socialist Soviet Republics, Vatican City, Yugoslavia;

(5)• Egypt, Ethiopia, Liberia;

(6) Afghanistan, China, Iran, Iraq, Lebanon, Saudi Arabia, Siam, Syria, Yemen.

(b) No person shall export any goods to any destination, other than to those areas specified in the foregoing paragraph, without first having obtained an export permit issued by or on behalf of the Minister of Trade and Commerce.

By Export Permit Branch Order No. 144, also effective June 8, 1946, the commodities listed in the Annex attached to Export Permit Branch Order No. 138 of February 27, 1946, as amended, are deleted from the Export Control Schedule, so that an export permit will not be required

therefor for shipments to any destination specified in Section (a) of the foregoing Regulation 5.

Note.—Commodities enumerated in Export Permit Branch Order No. 138 are covered by Amendments No. 27, 30, 31 and 35.

Barbados

IMPORT CONTROL OF WASHING-MACHINES

The Barbados Control Board announced on May 21 that a limited

number of electric washing-machines would be admitted from Canada, and importers were asked to submit not later than May 31 a statement of their requirements for this year.

PRICE CEILING RAISED ON DRESSES

In a notice of May 21, the Barbados Control Board informed importers that the price limit for imported dresses has been increased from \$7.20 to \$12 f.o.b. Canada.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations June 3	Nominal Quotations June 11
Argentina	Peso	Off.	.3282	.3282
		Free	.2706	.2701
Australia	Pound		3.5520	3.5520
Belgium and Belgian Empire.....	Franc		.0251	.0251
Bolivia	Boliviano		.0262	.0262
British West Indies (except Jamaica). .	Dollar		.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso		.6282	.6282
Cuba	Peso		1.1025	1.1025
Czechoslovakia	Koruna		.0220	.0220
Denmark	Krone		.2296	.2296
Ecuador	Sucre		.0816	.0816
Egypt	Pound		4.5538	4.5538
Eire	Pound		4.4400	4.4400
Fiji	Pound		4.0090	4.0090
Finland	Markka		.0081	.0081
France and North Africa.....	Franc		.0092	.0092
French Empire—African.....	Franc		.0157	.0157
French Pacific possessions.....	Franc		.0222	.0222
Haiti	Gourde		.2205	.2205
Hongkong	Dollar		.2775	.2775
Iceland	Krona		.1702	.1702
India	Rupee		.3330	.3330
Iraq	Dinar		4.4400	4.4400
Italy	Lira		.0049	.0049
Jamaica	Pound		4.4400	4.4400
Mexico	Peso		.2268	.2268
Netherlands	Florin		.4153	.4153
Netherlands East Indies	Florin		.4153	.4153
Netherlands West Indies	Florin		.5842	.5842
New Zealand	Pound		3.5698	3.5698
Norway	Krone		.2220	.2220
Palestine	Pound		4.4400	4.4400
Peru	Sol		.1709	.1709
Philippines	Peso		.5512	.5512
Portugal	Escudo		.0444	.0444
Siam	Baht		.1110	.1110
Spain	Peseta		.1009	.1009
Straits Settlements	Dollar		.5180	.5180
Sweden	Krona		.2627	.2627
Switzerland	Franc		.2563	.2563
Turkey	Piastre		.0085	.0085
Union of South Africa	Pound		4.4400	4.4400
United Kingdom	Pound		4.4400	4.4400
United States	Dollar		1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar		.3261	.3261

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, *Canadian Government Trade Commissioner*, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Métropole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Colombiana de Seguros, Of. No. 523.
Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.
J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.
Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.

Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.

Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.

Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

DISTRIBUTION IN THE UNITED STATES

By H. A. SCOTT, *Commercial Counsellor, Canadian Embassy at Washington*

The United States is a large and complex market. It is so vast and heterogeneous that there seems to be no organization in the bewildering mosaic of production, manufacturing, and merchandising. Wholesalers and brokers of all kinds, and department, chain, specialty and other retail outlets appear to have no relationship one with the other.

There is no one centre from which national distribution can be obtained in the United States. On the contrary, there are many centres of distribution, and in many cases the territories covered by these centres overlap. Another interesting aspect is that the centres of distribution vary for the commodities to be marketed.

Actually, with few exceptions, most commodities sold in the United States are made in this country, which results in the manufacturer of each product organizing his own distribution direct to retailer, allowing, of course, for the district jobbers, who can hardly be classed as importers in the same sense as firms in overseas territories. For example, there are very few intermediary firm engaged in the distribution

of farm implements apart from the purely local distribution in the smaller towns and villages. Most large manufacturers have literally thousands of local distributors or exclusive agents throughout every state of the country. In the case of lumber the distribution is so complex as to make it very difficult to describe, and yet it is so similar to Canadian procedure that only an expert in the timber trade would be capable of describing the merchandising of this commodity with any degree of accuracy.

Distribution Areas

FEDERAL RESERVE BANK DISTRICTS

In considering areas of distribution in the United States the Canadian exporter might, for convenience, divide the country into the twelve Federal Reserve Bank districts and select the principal cities in these districts as the centres of distribution.

The following table shows the districts, states with estimated populations to July 1, 1944, and principal cities:

United States Distribution Areas

District No.	States	Estimated Population July 1, 1944	Principal Cities for Distribution
1	Maine	793,600	
	Vermont	310,941	Boston, Mass.
	New Hampshire	457,231	Providence, R. I.
	Massachusetts	4,162,815	New York, N. Y.
	Rhode Island	778,972	Portland, Me.
	Connecticut	1,776,807	
2	New York	12,632,890	New York, N. Y.
	New Jersey (Northern)	4,167,840	Newark, N. J.
			Buffalo, N. Y.
3	Pennsylvania (Eastern)	9,247,088	
	Delaware	283,802	Philadelphia, Pa.
	New Jersey (Southern)		
4	Ohio	6,836,667	Cleveland, Ohio.
	Kentucky (Eastern)	2,630,194	Cincinnati, Ohio.
	Pennsylvania (Western)		Pittsburgh, Pa.

United States Distribution Areas—Con.

District No.	States	Estimated Population July 1, 1944	Principal Cities for Distribution
5	Virginia	3,199,115	
	West Virginia	1,715,984	Baltimore, Md.
	Maryland	2,127,874	Richmond, Va.
	North Carolina	3,534,545	Raleigh, N. C.
	South Carolina	1,923,354	Columbia, S. C.
	District of Columbia	926,260	
6	Georgia	3,223,727	Atlanta, Ga.
	Florida	2,367,217	Savannah, Ga.
	Alabama	2,818,083	Mobile, Ala.
	Tennessee (Western)	2,870,158	Birmingham, Ala.
	Mississippi	2,175,877	Nashville, Tenn.
	Louisiana	2,535,385	Chattanooga, Tenn. Jacksonville, Fla.
7	Illinois	7,729,720	Chicago, Ill.
	Iowa	2,269,759	Detroit, Mich.
	Michigan	5,429,641	Indianapolis, Ind.
	Indiana	3,419,707	Milwaukee, Wis.
	Wisconsin (Southern)	2,975,910	Des Moines, Ia. Springfield, Ill.
8	Arkansas	1,776,446	Kansas City, Mo.
	Missouri	3,589,538	St. Louis, Mo.
	Kentucky (Western)		Louisville, Ky.
	Tennessee (Western)		Memphis, Tenn. Little Rock, Ark.
9	Minnesota	2,508,663	
	North Dakota	528,071	Minneapolis and
	South Dakota	558,629	St. Paul, Minn.
	Montana	464,999	
10	Wyoming	257,108	Denver, Colo.
	Colorado	1,147,259	Omaha, Neb.
	Kansas	1,774,447	Kansas City, Mo.
	Oklahoma	2,064,679	Oklahoma City, Okla.
			Tulsa, Okla.
	Nebraska	1,213,792	Dallas, Texas.
11			Fort Worth, Tex.
	Texas	6,876,248	Houston, Tex.
	New Mexico	532,212	San Antonio, Tex. Santa Fe, N. Mex.
12	Washington	2,055,378	Seattle, Wash.
	Oregon	1,214,226	Spokane, Wash.
	Idaho	531,573	Portland, Ore.
	California	8,746,989	San Francisco, Cal.
	Nevada	156,445	Los Angeles, Cal.
	Utah	606,994	Salt Lake City, Utah.
			Phoenix, Ariz.
	Arizona	638,412	Carson City, Nev.

There is bound to be a certain amount of overlapping of distribution from such cities as New York, N.Y.; Boston, Mass.; and Philadelphia, Pa., each a portion of the most heavily populated area in the United States. Overlapping is also inevitable in the areas served by Chicago, Milwaukee, and Minneapolis and St. Paul, or San Francisco and Los Angeles. These are but a few examples to suggest the careful study that must be made when placing agencies.

GEOGRAPHICAL AREAS

Canadian exporters may, on the other hand, find it sufficient for the purposes of a general survey in the marketing of their products in this country to cut down these areas of distribution and divide the United States into three divisions: Eastern United States, Middle United States, and Western United States. These divisions are the ones at present covered by Canadian Trade Commissioners at

New York, N.Y.; Chicago, Ill.; and Los Angeles, Cal. The territories are as follows:

is to maintain a liaison with appropriate agencies of the United States Government.

Canadian Trade Commissioners' Territories

<i>New York</i>	<i>Chicago</i>	<i>Los Angeles</i>
Maine	North Dakota	California
New Hampshire	South Dakota	Oregon
Vermont	Nebraska	Washington
Massachusetts	Kansas	Idaho
Rhode Island	Oklahoma	Montana
Connecticut	Texas	Utah
New York	Minnesota	Wyoming
New Jersey	Iowa	Nevada
Pennsylvania	Missouri	Colorado
Delaware	Arkansas	Arizona
Maryland	Louisiana	New Mexico
Virginia	Wisconsin	
North Carolina	Michigan	
South Carolina	Illinois	
Georgia	Indiana	
Florida	Ohio	
Alabama	Kentucky	
	West Virginia	
	Tennessee	
	Mississippi	

With regard to Federal Reserve District No. 5, in which Washington, D.C., is located, it should be mentioned that Washington is not a centre of distribution but is served mainly by Baltimore, Md. This means that there are few opportunities to render service to Canadian exporters in establishing commercial contacts. The principal function of the Commercial Counsellor's office

Accordingly, for all practical purposes Canadian firms, whether exporters or importers, desiring market information should look for such assistance from the Canadian Trade Commissioners in New York, Chicago and Los Angeles, whose addresses will be found on the back pages of the *Commercial Intelligence Journal*.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. T. J. Monty, formerly Trade Commissioner at Los Angeles, who is being transferred to Athens, Greece (territory includes Turkey); Mr. Maurice Bélanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, Brazil; Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will re-open at Rome (territory includes Malta) the office formerly located at Milan; Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will open a new office at Leopoldville, Belgian Congo

(territory includes Tanganyika, Kenya, Uganda, and Angola); and Mr. M. J. Vechsler, formerly Commercial Secretary, Canadian Embassy at Santiago, Chile, who is being transferred to Liverpool, England (territory includes the Midlands, North of England, and Wales).

Their itineraries as at present arranged are as follows:—

Mr. Monty

Montreal and Granby—July 2 to 13.
Quebec City—July 15 and 16.
Halifax—July 18 and 19.
Saint John—July 20.
Ottawa—July 22 to 24.

Mr. Bélanger

Toronto—July 2 to 11.

Mr. Manion

Ottawa—June 24 and 25.
 Fort William—June 27.
 Winnipeg—June 28 and 29.
 Vancouver—July 2 to 6.
 Ottawa—July 10 to 13.
 Montreal—July 15 to 24.
 Quebec City—July 25 and 26.

Mr. Ausman

Hamilton—June 24 and 25.
 Brantford—June 26.
 Windsor—June 27.
 Welland—June 28.
 Winnipeg—July 2 and 3.
 Edmonton—July 5.
 Vancouver—July 9 to 15.
 Victoria—July 17 and 18.
 Calgary—July 24.

Mr. Vechsler

Toronto and district—June 24 to 29.

Firms wishing to confer with these Trade Commissioners should communicate: for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Vancouver, Edmonton, Winnipeg, and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

UNITED KINGDOM TRADE, JANUARY TO MARCH

By H. L. E. PRIESTMAN, *Canadian Trade Commissioner at London*

The monthly report on the external trade of the United Kingdom in April includes tables showing the total trade exchanges between the United Kingdom and leading countries of the world during the first quarter of the year.

Imports

The most striking feature is the fall in the value of imports from the United States, from £100,096,119 in January-March, 1945, to £51,443,460 for the same period of this year; in 1938 the quarterly average of imports from that country was £29,495,120. Nevertheless, the United States remains the largest single supplier of merchandise to the United Kingdom.

The level of imports from Canada in the quarterly period was satisfactorily maintained, the value this year being £47,812,103 as compared with £47,069,503 last year and £19,677,098 for a 1938 quarter.

The third most important source of imports was British India, which was credited with £18,813,734 as against £17,705,510 last year and £12,484,824 in 1938. Argentina improved her position this year with supplies valued at £17,338,719, which is nearly 50 per cent more than for the March quarter

of 1945 and 80 per cent above a normal 1938 quarterly value.

New Zealand, which ranked fifth among suppliers, also expanded her shipments to this country, the total (£16,932,262) representing a rise of 27 per cent over last year's figure and 44 per cent over that for 1938. Purchases from Australia amounted to £16,784,319, which was practically the same as a year ago and compares with £17,960,421 in 1938.

The United Kingdom was dependent upon the above-mentioned six countries for considerably more than half of its total imports, which aggregated during the quarter £278,471,437.

Exports

Exports are much more evenly distributed, although South Africa held a clear lead among purchasers from the United Kingdom. Shipments to the Union in the first three months of 1946 were valued at £19,395,297 as compared with £10,037,606 in the corresponding period of 1945 and £9,873,376 in a 1938 quarter.

The value of goods consigned to British India was £18,813,734, the increase over the figure for the 1945 quarter amounting to £1,108,224 and

over the average 1938 quarter to £6,328,910. Australia was the third most important market with £12,328,022, an expansion of more than 50 per cent over the 1945 quarterly value, and Eire ranked fourth with £9,077,843. Exports to France in the quarter under review were recorded at £8,650,780, which was nearly eight times the corresponding figure for 1945 and more than twice the pre-war average.

British exports to the United States are a matter of special interest. For the January-March period they were entered at £7,231,858 as against £4,215,312 for the 1945 period and £5,120,909 for an average 1938 quarter.

An advance was also indicated in the case of Canada. The value of shipments to the Dominion this year totalled £6,400,181 as compared with £5,370,030 for the first quarter of 1945 and £5,632,441 for a 1938 quarter.

As might be expected following the liberation of Europe, there was a considerable revival in United Kingdom exports to Western European countries, which were shut off during the war. Exports to Belgium were valued at £6,004,617; to the Netherlands, £5,943,616; Denmark, £5,992,123; Germany, £3,749,820; Sweden, £3,239,173; Norway, £2,621,299; and Switzerland, £1,603,270. It may be assumed that these supplies will facilitate reconstruction programs in Europe and enable devastated and disorganized countries to make a useful contribution to the recovery of world trade.

United Kingdom Overseas Trade for April

Imports into the United Kingdom in the month of April were valued at £97,852,165, a reduction of £5,614,914 as compared with the figure for March. This is attributed to the number of working-days in April being reduced by the Easter holidays.

The value of food, drink and tobacco imports (£49,448,547) showed a decrease of 10 per cent from that for the previous month; the values for raw materials (£28,609,305) and fully manufactured goods (£17,359,108) were practically unchanged.

Total United Kingdom exports again rose, the April value (£69,363,049) being £2,305,010 above the March figure. Fully manufactured goods contributed most to this result, March exports, at £59,028,512, showing an advance of £2,952,715.

Deliveries abroad of vehicles (including locomotives, ships and aircraft) continue to show progress. April exports in this category (£7,654,400) being £820,400 greater than in March. Exports of non-ferrous metals and manufactures in the month were valued at £3,989,868, a rise of £1,924,467. This was mainly due to heavier purchases by the Soviet Union and France.

As compared with March, when the excess of exports over imports was £31,774,516, there was a distinct improvement in the visible adverse balance of trade. For April the accounts show an adverse balance of £24,736,080.

ECONOMIC CONDITIONS IN NEWFOUNDLAND

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

There has been no slackening in the volume of Newfoundland's domestic and foreign trade in the first four months of 1946, which has been maintained at the same high level of the past few years. The country's revenue for the four months amounted to \$11,682,870, an increase over \$11,045,354 for the corresponding period of the preceding year, while expenditure is estimated at \$9,323,474 as against \$7,434,603.

Primary industries continue to be active, and the newsprint mills are operating to capacity. A contract for the supply of 750,000 tons of iron ore to the United Kingdom during 1946 has been concluded, which, together with regular shipments to Canada, will ensure a high level of employment in this important section of Newfoundland's mining industry. The decision to continue the marketing of dried and salt codfish under the direction of the

Fishery Products Committee of the Combined Foods Board throughout 1946 will guarantee Newfoundland's salt fish exporters assured markets for the entire catch at profitable prices. Activity in the fisheries has been further heightened as a result of the contract concluded between the Newfoundland Fisheries Board and UNRRA for 210,000 barrels of herring for 1946 and for 7,392,999 pounds of frozen cod fillets to the United Kingdom in the same period. The seal fishery, which terminated operations at the end of April after a two-month season, was on a much larger scale than in recent years but still far below pre-war standards. A total of five wooden vessels and one steamer participated in the seal fishery in 1946, taking approximately 30,000 seals as compared with 300,000 in 1937. The sealers were hampered by unfavourable ice conditions. However, prices were well maintained, and the men's share of the returns averaged about \$130 each.

Retail sales were generally 10 per cent below 1945 levels, although wholesale and jobbing transactions showed little, if any, decline. Stocks of women's wear, men's clothing and other scarce articles are low, and there is still an unfilled accumulated demand for these lines. Foodstuffs, still largely under program, have been coming forward regularly, and no serious shortages have developed. Certain types of electric appliances are in freer supply, as are many hardware items, although essential building materials continue to be short. There was some unemployment among longshoremen in St. John's as the tonnage of merchant shipping entering the port declined sharply.

Financial Conditions

The Commissioner for Finance of the Newfoundland Government, in his annual budget speech delivered in April, announced a surplus of \$4,339,977 for the fiscal year 1945-46. This brings the total surplus accumulated during the past six years to \$28,332,900. While it is conceded that the high revenues that have prevailed throughout are attributable to expenditures on

base construction in the country and to guaranteed markets for Newfoundland's exports, it is nevertheless encouraging to record a series of surpluses rather than deficits as during the 1930's.

Revenue in 1945-46, amounting to \$33,427,693, reached an all-time high and compares with \$33,310,014 for the previous fiscal year. The Customs Department was again the most important source of revenue, returns under this heading amounting to \$18,280,332, or 55 per cent of total revenue, in 1945-46, an increase from \$17,971,496 (54 per cent) in 1944-45. Direct taxation contributed \$10,225,093 (35 per cent) in the fiscal year 1945-46, an advance from \$9,825,463 (29 per cent) for the preceding year. Expenditure increased from \$26,318,247 in 1944-45 to \$29,087,716 in 1945-46, the increase being fairly evenly distributed over all departments.

In submitting the estimates for the fiscal year 1946-47, the Commissioner for Finance forecast a deficit of \$3,247,500. Revenue for 1946-47 is expected to decline to \$30,757,000, while expenditure is set at \$34,004,700. It is now proposed to put into effect reconstruction and development schemes held in abeyance during the past few years because of shortages of materials, and it is expected that these undertakings will raise expenditure in the forthcoming fiscal year considerably above the figure for 1945-46. Reconstruction plans call for the erection of new hospitals and public buildings, harbour improvements and road construction. The civil re-establishment program is now well under way, and a vocational institute was recently opened at St. John's. More than 2,250 ex-servicemen are availing themselves of the benefits offered under the civil re-establishment schools. A total of \$1,610,000 is to be spent on new road construction and improvement, and \$1,500,000 has been set aside for government buildings, the bulk of this amount to be devoted to new hospitals and other public health institutions.

The Commissioner for Finance announced that the special war revenue tax of 7½ per cent, imposed in 1940 on

practically all imports from non-sterling countries, would be withdrawn (see *Commercial Intelligence Journal* No. 2204: April 27, 1946, page 367). This is expected to result in a revenue loss of slightly more than \$1,000,000, and this has been taken into account in estimating revenue from customs for the fiscal year 1946-47 at \$17,000,000, or \$1,280,332 below the 1945-46 figure. No other tariff changes were introduced, but it was intimated that reductions might be made later in the year in conformity with any joint proposals which might be agreed upon at the forthcoming trade conferences in the United Kingdom and the United States.

Direct taxation is expected to yield \$9,500,000 in 1946-47, an amount slightly below the figure reached in 1945-46 but, as taxation is levied on earnings for the calendar year 1945, it is probable that the estimate will be exceeded, as there were no important tax reductions announced in the budget speech, and the excess profits tax remains in force. Revenue and expenditure returns for April show that for the first month of the 1946-47 fiscal year revenue amounted to \$4,535,174, an increase compared with \$4,176,216 for April, 1945; expenditure totalled \$2,304,892 as against \$1,505,958 for April, 1945. At the end of the first month of the fiscal year 1946-47 there was a surplus of revenue over expenditure amounting to \$2,509,282. Customs returns totalled \$1,402,506 as compared with \$1,312,886 for April, 1945, while direct taxation yielded \$2,670,371, an increase as compared with \$2,484,251 for the same month of the previous year.

In his budget speech the Commissioner for Finance advised that the Newfoundland Commission of Government was preparing a statement for the information of the Secretary of State for Dominion Affairs and the forthcoming National Convention covering development and reconstruction expenditure likely to be required in Newfoundland over the next ten years. Details of these plans were not made available, but it was pointed out that their total cost would be much in excess

of Newfoundland's total accumulated surplus.

Bank Returns

The summary of bank returns for the calendar year 1945, issued by the Department of Finance, shows that total deposits as of December 31 stood at \$110,821,119. This was made up of interest-bearing deposits valued at \$68,678,791, non-interest bearing deposits of \$22,893,743, and deposits by the Government amounting to \$19,248,585. Bank deposits have been increasing steadily, amounting to \$65,346,687 at the end of 1942, \$83,164,940 for 1943, and \$97,106,888 for 1944. Current loans to the public and the St. John's municipality and bills and notes under discount amounted to \$9,496,924 at the end of 1942, \$4,721,164 for 1943, \$6,459,588 for 1944, and \$5,794,082 at December 31, 1945.

Summary

Newfoundland's immediate trading prospects are encouraging, and it is unlikely that there will be any serious deterioration during 1946. As mentioned previously, the newsprint mills are operating at capacity, and the iron ore mines are working on an accelerated schedule. The contracts arranged for frozen cod fillets calls for the shipment of reduced quantities of this product to the United Kingdom, and alternative markets will have to be found to absorb the increased quantities available for export. Herring production in 1946 will likely exceed all previous figures, and assured returns for the salt and dried codfish catch should result in another successful year for the basic cod fishery. Newfoundland's present financial position is more favourable than it has been for many years, and funds are available not only for private investment but also to finance the contemplated reconstruction and reconversion schemes.

Although retail sales are down slightly as compared with the same period a year ago, the decline is not attributed to any appreciable falling-off in demand but to shortage of supplies.

INDUSTRIAL CONDITIONS IN ITALY

By J. P. MANION, *Canadian Trade Commissioner*

Because of the small extent of war damage throughout the country, Italian industries are physically in a position to resume operations on a large scale. In November, 1945, the total amount of damage was estimated by the Allied Commission in Italy at 30 per cent, including that to the industries in the Central and Southern parts of the country, where fighting occurred. In the northern part, where the heavy industries, including the metallurgical works, chemical trades, textile manufactures, automobile, shipbuilding and electrical industries are concentrated, damage was not so severe, reducing pre-war capacity by about 20 per cent. The main sufferers were, therefore, the secondary industries in other areas and, of these, the food-processing plants, clothing trades, furniture-manufacturing and other consumer industries were most seriously affected. Nevertheless, since these industries are generally small units and less highly mechanized than the primary industries, the long-term effects of war damage will not be too severe. Indeed, when the foregoing estimate was published, a large part of Italian industry had already been reconstructed, and it was estimated that over-all industrial productive capacity had reached 93 per cent of the pre-war level.

However, although this increase in production is regarded as satisfactory, Italy is still faced with the problem of shortages of coal and raw materials. As a result, production is much below capacity, with unemployment at a high level. A further result is increased prices, due to overhead costs being spread over a small volume of production. Prices are further affected by a shortage of food, since malnutrition continues to lower efficiency, and the output per worker is far short of the pre-war level, in some cases being only 40 per cent of normal.

Coal

Average pre-war consumption of coal in Italy amounted to about 15,000,000

tons per year, of which approximately 12,000,000 tons were imported and the remainder was produced in Sardinia and the Istrian peninsula. For an industrialized country this rate of consumption is exceedingly low, being about 10 per cent of Canadian per capita consumption. The principal reasons for this low rate of consumption are that very little coal is required for domestic purposes and many of the railway lines are electrified.

The Italian Government, in submitting its program of essential imports for 1946 to the Allied Commission, estimated its coal requirements at 11,692,000 tons, of which 8,692,000 tons were to be imported. This program was approved by the Commission, which recommended that 5,250,000 tons of these requirements be provided by UNRRA.

Several factors are likely to affect this program adversely. Domestic production on the Istrian peninsula is not available to Italy, pending decision as to whether this area will be incorporated in Yugoslavia. Sardinian production is piling up, due to damage to unloading facilities in Italian ports. The UNRRA program has never yet reached 400,000 tons per month, and it is doubtful if more than 4,500,000 tons will be available for the whole year. Finally, the 3½ million tons which were to be purchased abroad by the Italian Government is dependent on the availability of foreign funds. The only supplies under negotiation at the moment are 720,000 tons of Polish coal, to be paid for by exports from Italy. A similar agreement is under discussion with Czechoslovakia.

The net result appears to be: domestic production of not more than 2,000,000 tons; UNRRA imports of not more than 4,500,000 tons; imports by the Italian Government of possibly 1,000,000 tons. Total availability, therefore, is not likely to exceed 50 per cent of the pre-war volume.

This will have a serious effect on industry and transport. Much will depend on electric power production, which last year was 37.4 per cent lower than the all-time peak of 17,751 million k.w.h. produced in 1941. Drought conditions in 1945, together with a light snowfall during the past winter, are likely to keep power production at a lower-than-average level during 1946.

It is apparent, therefore, that despite the satisfactory physical condition of industrial installations, production in 1946 will remain at a fairly low level, with resulting high prices. This will not necessarily reduce the volume of industrial goods available for export, since domestic consumption will remain at an exceedingly low level, due to unemployment, and, on account of the high cost of food, only the most essential subsistence goods will be available to most of the inhabitants.

Employment

The shortage of coal and raw materials has caused a serious unemployment problem. It is estimated that 1,300,000 industrial workers were unemployed in February, 1946, which is a higher figure than for the worst period of the depression.

The Government's plan for 1946, dependent on the availability of coal, as reviewed above, provided for the employment of 2,380,000 workers, which would reduce unemployment well below one million. Since it is unlikely that the coal will be available to implement the program, unemployment will probably remain at a high level throughout the year.

Since industry is frequently made responsible for partial payment of its unemployed workers, this adds to the industrial overhead, and consequently raises the cost of production of industrial goods. Employment was frozen until February of this year, which meant that industrialists had to pay wages whether or not work was available. Since February a proportion of the excess labour force may be dismissed every month over a fairly long

period of time, but this will, nevertheless, leave industry with a large commitment in this respect until the end of the year.

The surplus of manpower will be further increased as the remaining 400,000 Italian prisoners of war are released from internment and return to Italy. To cope with this endemic problem the Government is negotiating for employment contracts for Italian workers in France, Belgium and Latin America. Some 20,000 miners, for instance, are to be sent to France this year. The prospective figures, however, are still relatively low in comparison with total excess of manpower.

Notes on Industries

TEXTILES

The textile industry is undoubtedly one of the most important in Italy and compares favourably with that of other world producers. The most important units in the industry are rayon and stable fibre production, cotton spinning and weaving, and silk production. The wool and hemp industries are also well developed.

The cotton industry reached its highest development in 1929, when 260,000 tons of raw and waste cotton were imported. Thereafter production fell off to some extent because of economic nationalism, and average imports during the immediate pre-war period were 185,400 tons. Of cotton goods produced, 22,592 tons of yarns and 25,273 tons of woven fabrics were exported, and the remainder was sold on the domestic market. There are still some 5,500,000 cotton spindles and 150,000 mechanical looms.

Because of shortage of foreign currency, Italy has to depend on credits in order to obtain the raw materials necessary to rehabilitate this industry. Some 45,000 tons were ordered in 1945 on American troop-pay account and by F.E.A., while UNRRA has earmarked 18,000 tons for Italy. Since the 1945 allotment only began to arrive in February of this year, these 63,000 tons will help to rehabilitate the industry during the present year.

In addition the world shortage of productive capacity in the textile industries renders the Italian industry of particular importance in reconstruction programs affecting other nations. Thus Italy has arranged contracts with Switzerland and Sweden whereby those countries will buy raw cotton, ship it to Italy to be converted into textiles for their own account, allotting to that country a proportion of the raw cotton so imported in payment therefor. It appears that other countries, including Britain, may conclude similar arrangements. UNRRA also is using Italian productive capacity in this way, supplying raw cotton for the production of fish-net twine for Greece, Yugoslavia and China. The total amount of cotton to be used in this way may reach 50,000 tons, while Italy is trying to obtain an additional 19,000 tons on a cash or credit basis.

If all the above plans mature, some 132,000 tons of cotton may be imported during the year, mostly for re-export. It may be noted in passing that the nature of the contracts passed prohibits re-export to Egypt or the Western Hemisphere.

Although Italy urgently requires textiles for clothing, the high cost of food precludes the spending of money on other than subsistence goods, with the result that some 75,000 tons of cotton textiles manufactured in previous years are already in stock and cannot be moved onto the domestic market. In theory at least, this amount may be added to the exportable surplus.

The rayon and staple fibre industries of Italy were outstanding before the war. Production reached its maximum in 1941, when a combined total of 197 million kilos—about 100,000 tons—were produced, of which 135 million kilos were in staple fibre. To keep production at this level, imports of some 200,000 tons of cellulose and cotton linters would be required. Since these materials are in short supply, only 50,000 tons have been planned for in 1946, but even this figure may not be reached, in view of the impossibility of obtaining supplies in North America, Yugoslavia, Czechoslovakia, Austria or

Germany. It is doubtful whether the Scandinavian countries can supply the required amounts.

The silk industry is of considerable importance, since Italy is the third largest world producer of raw silk, output reaching as much as 1,300,000 kilos. Production in 1945 is estimated at 330,000 kilos, but silk reserves at the beginning of 1946 were 1,400,000 kilos. Switzerland has recently taken 466,000 kilos, the United States 242,000 kilos, and other countries 5,300 kilos, but there still remain over 600,000 kilos. The price of silk is 5,400 lire per kilo, or about \$12 per pound, which makes it competitive with output from other sources.

There are 775 silk-spinning mills and a large capacity for weaving. Italian silk fabric production appears to be of good quality, and considerable quantities are available for export.

The woollen industry imported 58,137 tons of raw wool in the average pre-war year and exported some 10,000 tons of fabrics. Local production of wool barely reaches 8,000 tons, so that the industry will be at a standstill unless a wool credit, at present under discussion with Britain, is obtained.

Hemp is another fibre of great importance in Italy, due to large production of the raw hemp itself. Because of a shortage of other fibres, production steadily increased until 1942, when some 120,000 tons of fibre were produced and 40,000 tons were exported. Production has declined since then to a low of 40,000 tons in 1945 but, with satisfactory growing conditions in 1946, the crop may reach 80,000 tons. Hemp yarns and textiles are usually readily available on the Italian market.

MOTOR VEHICLES

Italian motor-vehicle production had dropped to a mere trickle by the end of the war, but it rose steadily during 1945 to about 50 per cent of normal by the end of the year. The production program for 1946 comprises 50,500 trucks, 26,200 trailers and 18,500 passenger cars.

The road transport situation in the country is acute. Whereas in 1938 there were in circulation 345,000 cars, 113,000 trucks, 16,000 trailers and 10,000 buses, the figure for 1945 had fallen to 30,000 trucks, 20,000 passenger cars converted into light trucks, and 120,000 passenger cars. The production program for 1946 will, therefore, do much to alleviate the present situation. The industry suffers from lack of coal and raw materials and the necessity of employing an excessive labour force, thus increasing prices beyond an economic level.

PAPER

The pre-war productive capacity of the paper industry was 650,000 tons of all types. Essential requirements are considerably lower and, although the Italian Government estimated its needs as 350,000 tons, the Allied Commission and UNRRA have considered that the most essential requirements are only half that amount. On the basis of the 350,000-ton figure, it had been the intention to produce 48,000 tons of newsprint; 114,000 tons of printing and writing paper; 116 million paper sacks for cement, superphosphates and nitrogenous fertilizers; 87,000 tons of wrapping paper; and 45,000 tons of paper and pulpboard. Since only 20,000 tons of wood-pulp are produced in Italy, even the reduced program calls for pulp imports, which may be unavailable under present conditions of scarcity.

MINING

Coal having already been discussed in its relation to industry, the chief remaining mineral product is sulphur, of which 1,727,891 tons were produced in 1938. Production in 1945 was 502,348 tons, or 29 per cent of normal, but this can be readily increased if shipping is available and the demand exists.

Pyrites production in 1945 was 73,442 tons as against 1938 production of 798,614 tons; lead dropped from 61,586 tons to 2,201 tons; and zinc from 105,632 tons to 18,572 tons in 1945.

OTHER INDUSTRIES

Statistics for other industries are not as satisfactory as for the foregoing, and in most cases only show projected production as a percentage of average pre-war output. These figures are quoted below, but their fulfilment is subject to availability of coal and raw materials.

Estimated 1946 Production as Percentage of Average Pre-war Output

Bricks	65
Cement	80
Glass (12,000,000 sq. metres)	100
Calcium carbide	80
Nitrates	100
Phosphates	85
Pharmaceuticals	90
Sulphuric acid (900,000 tons)	70
Sodium carbonate (25,000 tons)	75
Electric motors	100
Lamps	70
Electric production and transforming units	100
Radio equipment	100
Telephone equipment	140
Animal products	60
Dairy products	30
Edible oils	65
Jams	80
Sugar (310,000 tons)	100
Preserved vegetables	70
Shoes	100
Aircraft production	15
Railway rolling-stock	150
Shipbuilding	50
Aluminum	50
Lead	80
Magnesium	100
Zinc	75
Steel (1,900,000 tons)	65

Transport

The accompanying table indicates the disastrous effect of the war on transport facilities in Italy. Probably the lowest point was reached in June, 1945, since it coincided with the end of a war in which rolling-stock, bridges and right-of-way comprised a strategic target of the first importance. The figure for bridges is perhaps the most revealing of all, since it shows that over 90 per cent of bridge mileage was destroyed. Much temporary bridging has been constructed since that time, but the figures are not available.

The improvement in the figures as between June and December is indicative of the amount of work which has already been accomplished. Communi-

Italian Railway Statistics

	1939	June, 1945	December, 1945
Railway mileage in use—	Figures in Kilometres		
Double track	4,455	1,018	1,800
Single track	12,525	9,646	13,566
Bridges, total length	1,668	11.6	....
	Figures in Units		
Locomotives, serviceable	5,481	2,592	2,741
Freight cars, serviceable	132,509	25,145	68,882
Passenger cars, serviceable	7,294	616	1,817
Passengers, per month	9,000,000	5,611,793	9,453,934
	Figures in Metric Tons		
Freight, per month	4,000,000	530,605	1,719,466

cations are now possible over a large part of the territory, but it is still necessary in many cases to take long detours over secondary lines because of difficult terrain, which makes repair work a long-term problem.

The simultaneous reduction in road transport facilities, already discussed under industry, further aggravates the transportation problem. However, at the currently reduced scale of industrial

capacity, railways are now sufficiently rehabilitated to cope with the essential needs of the country.

The same is not true of port facilities. Even if coal were available in adequate quantities from overseas sources, it is doubtful whether the damaged ports could handle all requirements. Even Sardinian coal frequently accumulates, due to unloading difficulties on the mainland.

POINTS FOR EXPORTERS TO COLOMBIA

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

[One peso (100 centavos) equals 57 cents, United States currency; one kilo equals 2.2 pounds, one metric ton equals 2,204 pounds]

Geographical Position and Climate

Colombia is the only country in South America with both an Atlantic and a Pacific seacoast. It has an area of 439,828 square miles, approximately twice that of the Province of Manitoba. The three Cordilleras of the Andes which open out, fan-like, from the Southern frontier are the controlling factors in the climate and economy of the country. The low-lying valleys and coastal areas are intensely tropical, whereas the Eastern Cordillera is largely composed of high tablelands and is the most densely populated section of the country. Nearly two-thirds of the area of Colombia lies in the Llanos of the Orinico Basin and the Amazon forests, and this section remains practically undeveloped, with a very sparse population.

There is a wide variation of climate in Colombia, ranging from the humid, tropical areas on the seacoasts and at

sea-level in the interior to moderate temperatures at mid-altitudes of 3,000 to 6,000 feet with an average temperature of about 70° F; the high plateau above 6,000 feet has moderately cool temperatures, and Bogota, located at 8,660 feet, is cool, with occasional frosts.

Population

The population of Colombia, at the end of 1944, was estimated at 10,082,000, and the populations of the leading cities as follows: Bogota, 434,000; Medellin, 215,000; Barranquilla, 202,000; Cali, 133,000; Cartagena, 100,000; Buenaventura, 30,000.

The estimated distribution of the employed population of Colombia is as follows: agriculture and cattle raising, 73.6 per cent; industry, 11.8 per cent; services, 8.5 per cent; and other activities, 6.3 per cent. The inhabitants in the interior are of Indian and Spanish extraction and in the seacoast

towns there is a generous admixture of Negro blood. Literacy is estimated at about 50 per cent throughout Colombia as a whole. There are, apart from the mixed racial elements, a considerable number of pure Spanish descendants who occupy a predominant position in the affairs of the country. Spanish is the official language of Colombia and is widely used commercially, although many business houses, particularly those engaged in the import trade, are able to conduct business in English.

Natural Resources

In the vast mountain ranges of Colombia there is great mineral wealth, much of which is as yet undeveloped. Gold mining has been an important industry for many years, the output in 1944 totalling 553,531 ounces. Production of silver in that year amounted to 197,323 ounces and that of platinum 34,304 ounces. The production of petroleum in 1944 amounted to 22,646,000 barrels, and greater production is anticipated. Large quantities of salt, more than sufficient for the country's requirements, are produced annually. Colombia has soft coal in abundance in certain sections of the highlands and also large deposits of iron ore. The country is historically famous as the world's greatest producer of emeralds, and this industry, which has been neglected in recent years, is about to be revived. Apart from the foregoing, various other useful minerals occur, but the mountainous country frequently makes their exploitation on a commercial basis impossible. A vast exploration program is being undertaken by the various oil companies with a view to proving petroleum deposits in Colombia, and several millions of dollars are being spent monthly on exploration work which to date has not proven very conclusive. The petroleum industry could be a very important one to Colombia and, if several good fields are proven, it will do much to offset the great economic weakness of the country, which has been dependent hitherto primarily on one crop, coffee.

Colombia could be more or less self-sufficient in the production of foodstuffs, as the arable areas of the country are capable of much greater production than is forthcoming under present conditions. Owing to the great variations in climate, from dense tropical conditions to really cool temperatures, a great variety of cereal crops, fruits and vegetables is possible.

The country can produce sufficient beef and other meats, and the only grain crop which is normally insufficient is wheat. The principal crop is coffee, which for 1944 totalled 5,500,000 sacks of 60 kilos each. The following, in metric tons, are the estimated productions of other important crops in 1944, according to a study made by the Ministry of National Economy: yuca, 1,053,950; bananas, 713,998; corn, 653,132; potatoes, 418,000; wheat, 100,000; sugar, 72,199; rice, 65,000; beans, 36,000; cacao, 7,500.

Industrial Development

Industrial development in Colombia, particularly during the period of the recent World War, has been noteworthy. The latest statistics available, compiled at the end of 1943, show a fixed capital investment in twelve leading industries of 131,993,000 pesos and, of this total, four industries accounted for the major portion, as follows: textiles, 42,879,000 pesos; beer manufacturing, 34,436,000 pesos; sugar, 19,372,000 pesos; cement, 13,135,000 pesos. The output of the principal industries, according to the estimate of that year, was valued at 218,000,000 pesos, but currently both capital and output might be increased by at least 50 per cent. The principal industrial centres are Medellin, Bogota, Barranquilla, Manizales, Cali and Bacaramanga. The trend towards industrialization in Colombia is being actively continued, and there are many plans under way for new hydro-electric plants, new factories of various kinds, improvements to existing transportation facilities, public works and a general development of the resources and industry of the country.

Currency, Weights and Measures

The unit of currency in Colombia is the peso, valued at 57 cents United States funds and linked with the United States dollar under government control. The exchange rate fluctuates between 1.745 (buying) and 1.755 (selling) to the dollar, and the Banco de la Republica controls all dealings in foreign exchange.

The metric system is in general use throughout Colombia, but many firms engaged in the import trade are fully conversant with the system of weights and measures in use in Canada.

Banking

The Banco de la Republica is the central bank, with ten member banks having branches throughout the country. There are also four foreign banks and six non-member banks. All member banks must purchase stock in the Banco de la Republica. They have re-discount privileges and are limited to charging 2 per cent above the re-discount rate for commercial paper. The usual commercial loan rate is 6 per cent, and 8 per cent is charged for overdrafts. The Royal Bank of Canada has been established in Colombia for many years, operating branches located in six of the leading cities, and is in a position to extend complete banking facilities to Canadian exporters.

Documentation

Documentation requirements of the Colombian Government covering imports are detailed and exacting and should be given special attention by exporters to this country. A Canadian exporter shipping to Colombia for the first time should obtain a copy of the regulations supplied by the Department of Trade and Commerce, Ottawa.

The following documents are necessary for Canadian export shipments to Colombia: Colombian import licence, consular invoice, bill of lading, and commercial invoice.

Consular invoices should be completed on special forms sold by the Colombian Consulate. Four copies, carefully prepared in Spanish on the

standard form, are required for all freight shipments and must be submitted to the Colombian Consulate for certification. The original of the consular invoice will be returned to the shipper to be forwarded to the consignee in Colombia.

Bill of Lading.—With each set of four consular invoices, three copies of the bill of lading should be submitted to the Colombian Consulate for certification.

Certificates of origin are included in the consular invoice.

Commercial Invoices.—The original and three copies of the commercial invoice are required, and all must be signed by the manufacturer, certifying that the values and weights shown are correct. The weight in pounds and kilos, gross tare and net, must be shown either in the invoice or on the packing list and preferably on both. Care should be taken to see that the weight in kilos is correct.

Note.—The stamped original of the consular invoice and the original of the bill of lading must be sent to the consignee at the port of entry.

PARCEL-POST SHIPMENTS

Parcel-post shipments weighing up to 44 pounds and measuring not more than 4 feet in length and 5 feet 8 inches in combined length and girth can be sent to Colombia accompanied by customs declarations. Parcel-post shipments valued under 50 pesos, c.i.f. value, do not require consular documents nor an import licence, only the commercial invoice, with a certificate of origin included, being necessary. A surcharge of 15 per cent of the amount of the duty is collected on all parcel-post shipments. If the c.i.f. value of the shipment is over 50 pesos, the usual set of shipping documents is required, and an import licence is also necessary. Merchandise subject to payment of duties must not be sent by ordinary or registered mail. However, when wrongly accepted for mailing, such articles are delivered on payment of double duty if registered and triple duty if ordinary.

AIR-EXPRESS SHIPMENTS

Air-express shipments do not require a consular invoice, regardless of value but, when the value exceeds 10 pesos, a certificate of origin, included in the commercial invoice, is necessary. However, all air-express shipments require commercial invoices. If the c.i.f. value of the shipment is over 50 pesos, an import licence is required, but this need not be sent abroad and may be presented to the local customs authorities when clearing the shipment. The surcharge of 15 per cent of the duties is not levied on air-express parcels.

Customs Policy

Colombian customs duties are ordinarily assessed on the gross weight of imports, but ad valorem rates are levied on motor vehicles, bicycles, jewelry, gold and silver articles, precious stones and some other products. Exporters should send by air mail original copies of consular invoices, commercial invoices, bills of lading, certificates of origin and other documents to the consignee or his agent at the port of entry. Customs entries must be made within ten days after the arrival of merchandise at the port in order to avoid fines, and shipping documents should not be sent to interior points in Colombia because of the consequent delay in reforwarding them to the port of entry. There are no bonded warehouses in Colombia, and merchandise can be released from customs only upon clearance and payment of duties. Samples are subject to import duties unless mutilated. Samples, advertising matter and merchandise should not be sent by registered mail or parcel post unless specially requested.

Commercial Districts

There are four principal distribution centres in Colombia: Barranquilla, Medellin, Cali, and Bogota, supplying the north-coast district, the Antioquia district, and the Cauca Valley, respectively, and Bogota is the distribution centre for the high-level areas in Cun-

dinamarca and surrounding territory. In the Atlantic-coast district, Barranquilla is the principal port, but Cartagena and Santa Marta are important. Most of the imports into Colombia come through Barranquilla and Cartagena, the other port of importance on the Pacific being Buenaventura, which serves Cali and also Bogota. Medellin, the centre of the textile industry, is an important distribution centre, depending largely on imported products. The shipment of textiles to other parts of Colombia is an important freight movement. Colombia imports approximately 75 per cent of her raw-cotton requirements. Antioquia is also an important gold mining centre, there being several large mines and numerous small ones which consume large quantities of imported equipment and supplies.

The Cauca Valley is the most fertile agricultural district in Colombia, and Cali is the centre for a large distribution trade. There are several smaller cities in the valley: Manizales, Pereira, Armenia, Pasto, and Popayan, all secondary distribution points of some importance. Bogota, apart from being the nation's capital, is the leading commercial centre, serving a large and well-populated area. Subsidiary distribution centres in the Bogota district are Bucaramanga, Cucuta, Girardot, Honda, Ibague, Nieva, and Villavicencio. The numerous industries located in Bogota and in the various cities of the surrounding plains constitute an important portion of the industrial development of Colombia.

Foreign Trade

Colombia is an important market for a wide range of consumer goods as well as capital goods. During the war years Colombia endeavoured successfully to increase the production of many essential items, and this trend, which is being actively continued, involves the importation of large quantities of capital goods.

The current favourable balance of trade is due to the difficulty of securing sufficient merchandise under wartime conditions; in a normal year Colombian

exports would not pay for her import requirements. For example, during the first six months of 1945, imports totalled in value 125,117,832 pesos, and exports amounted to 114,028,342 pesos (almost exactly half the total exports in 1944 (227,135,836 pesos). The United States has been the principal supplier to Colombia, accounting for more than 60 per cent of the total imports; Argentina and Brazil are also important shippers to Colombia. Due to the war, Colombian trade with European markets practically ceased and the United States and South American countries have increased their shares of Colombia's trade.

TRADE WITH CANADA

Prior to the outbreak of the recent World War, Canada's trade with Colombia was not important. The Dominion purchased considerable quantities of Colombian coffee from importers in the United States, and a large percentage of Canada's exports to Colombia was shipped via New York, frequently losing their Canadian identity.

However, the post-war outlook is attractive, and Canada can develop a very satisfactory market in Colombia for many lines of consumer and capital goods. Colombian merchants and importers indicate a preference for dealing with Canada where possible, and during the past three years many Canadian manufacturers and exporters have established agency connections in Colombia which provide a broad basis for future trade. The bulk of Colombia's imports from Canada has consisted of wheat, paper and paper products, machinery, metal products, chemicals and fertilizers, and various manufactured items, and these should continue to be important. Colombia's minimum requirements of imported wheat are estimated to be more than 25,000 tons annually, No. 1 Northern being the grade favoured by millers. There is an excellent market for all types of paper and, during the war years, Canada supplied Colombia with more than 90 per cent of her news-

print requirements. Canadian manufacturers of agricultural machinery, hydro-electric equipment, Diesel engines, machine tools, hand tools, electrical equipment and iron and steel products of all kinds should carefully investigate the Colombian market. Colombia imports large quantities of fertilizers, chemicals for local manufacturing, and pharmaceutical products and ingredients. There is a market for a wide variety of manufactured products, many of which can be supplied from Canada. The Colombian Government statistics show imports from Canada in 1944 valued at 6,687,255 pesos, and it should not be difficult to more than double this total.

Import Restrictions

All imports into Colombia require licences from the Oficina de Control de Cambios. A report on the operation of exchange and import controls in Colombia was published in *Commercial Intelligence Journal* No. 2194 (February 16, 1946). The Colombian Government has large balances in United States dollars at its disposal, resulting from favourable trade balances during the war years, and its policy is to conserve these funds as much as possible. The Office of Exchange Control is operating under regulations designed to give priority to applications for exchange to pay for essential plant and equipment for the development of agriculture, industry, mining and other natural resources of Colombia, semi-essential items and luxury items being graded in order of their importance to the national economy. Although dollar balances are more than adequate, discretion is being exercised in the granting of import licences for luxuries and other items classified as unnecessary. Licences are now granted for a maximum period of six months and are not subject to extension.

Quotations and Terms

Quotations, if possible, should be made on the basis requested by importers, which are usually c.i.f. Bar-

ranquilla or Cartagena on the Atlantic, or c.i.f. Buenaventura on the Pacific seaboard. However, if the exporter finds it too difficult to quote c.i.f. terms, quotations f.a.s. New York or other port of shipment in the United States may suffice.

Terms of payment are usually cash against documents or sight drafts, although a number of firms accustomed to trading in Latin America are offering credit terms to favoured clients of 30, 60 or 90 days. During the war years most shippers in the United States insisted on letter-of-credit terms, which were complied with only because local importers were greatly in need of merchandise, but it is unreasonable to expect that permanent business can be done on this basis with firms in good standing.

Exchange control and import regulations were referred to under "Import Restrictions." Rates of commission vary according to the article sold.

Marine and other insurance may be obtained from various companies operating either directly or through agents in Colombia, and the adequate insurance of merchandise to final point of destination is of the greatest importance. For example, merchandise destined for Bogota should not be insured covering only that portion of the route from New York to Barranquilla as the hazardous part of the route begins after the merchandise is unloaded at Barranquilla—by river boat to Puerto Salgar and thence by rail to Bogota. Every care should be taken to make the outer cases and the inside packages as indestructible as possible.

Transportation and Communication

Steamship Services.—Colombia is adequately served by the various ocean shipment lines operating to Caribbean ports and the Pacific: United Fruit Line, W. R. Grace and Company, P.S.N.C., Harrison Line and several others. A freight service from Canadian ports to Barranquilla is also in operation.

Air Services.—Both local and international services are increasing rapidly

and about twenty-five local air companies, carrying either passengers or freight, or both, are registered in Colombia at present. Pan-American Airways is the chief international connection, but TACA operates between Colombia and Central America, Venezuela and Ecuador. Various other international services are projected, notably AVIANCA, and will come into operation shortly.

Postage Rates.—Air mail letters from Canada cost 25 cents per quarter-ounce and, under present conditions, take an average of four or five days to reach Bogota. All letters should be sent by air mail, as ordinary mail is very slow and uncertain and frequently takes over two months to arrive.

Cables.—The usual cable and wireless services are available, the cable service being operated by All-American Cables. The Ministry of Communications operate a national telegraph service within the country, and there is also the "Marconi" wireless overseas service.

General Observations

Representation.—Most Canadian manufacturers and exporters will find it expedient to do business in Colombia through a commission agent and, owing to the topography of the country, frequently more than one agent is necessary. Most commission agents located in Bogota state that they cover the whole country but, as a matter of fact, very few have their own organizations in the other principal distribution centres, e.g. Barranquilla, Medellin and Cali. The others work with other commission agents in these centres on a split-commission basis, and this is obviously not in the best interests of the Canadian exporter, since, unless the product more or less sells itself, the sub-agents are likely to neglect it. Any line that requires careful attention and a certain amount of development work to establish should be placed in the hands of reliable and well-connected agents operating directly in each principal centre, and this may require four separate agents in Colombia.

Tariff Situation.—Canada enjoys the most-favoured nation treatment from Colombia, which places her products on an equal footing with those of other countries, since Colombia has a single-column tariff.

Commercial Travellers and Samples.—Commercial travellers are advised to travel in Colombia on a tourist visa, which is good for thirty days and may be extended, upon application, to ninety days. The visa provides for complete freedom of movement and, under no circumstances, should any other visa be accepted. Samples of no commercial value are admitted free of duty and, to be considered of no commercial value must be mutilated to the satisfaction of the customs officials. Samples of commercial value are subject to the same documentary requirements and duties as similar commercial shipments.

Samples of commercial value brought in by commercial travellers may be entered temporarily up to six months under a bond equal to twice the usual amount of duty and may be re-exported, the deposit being refunded, by fulfilling certain simple requirements of the customs.

Addresses of Colombian Consulates.—The Colombian Government maintains a Consulate General at 4287 Sherbrooke Street W., Montreal, and consulates at 550 Beatty Street, Vancouver, B.C.

Trade-marks.—A Canadian manufacturer who contemplates doing business in Colombia should arrange to register his brands and trade-marks at the outset, as registration gives proof of ownership, and many firms have encountered difficulties, due to some unauthorized person having registered their brands before the firms themselves or their representatives found it convenient to register. There are a number of reputable lawyers specializing in trade-mark registration, and the Trade Commissioner's Office and the Royal Bank of Canada are in a position to advise Canadian exporters concerning registration.

Catalogues.—The prospective agent in Colombia should be supplied with an adequate number of catalogues printed in Spanish. Plain catalogues printed in black and white are permitted entry duty free. Catalogues printed in one colour are dutiable at 60 centavos per kilo. Those printed in various colours pay 65 centavos per kilo and, if bound, 70 centavos.

Marking and Packing.—There are no special regulations in Colombia requiring goods to be labelled to show the country of origin. Labels of packaged foodstuffs, at the time of their sale in Colombia, are required to be legibly marked in Spanish to show the net weight of the contents in metric units. Special labelling regulations apply to medicinal products, pharmaceutical specialties, hair dyes, and certain similar products.

Most merchandise imported into Colombia is dutiable on the basis of its gross weight. Accordingly, the packing should be as light as is consistent with safety. If a package or shipping-case contains merchandise subject to different rates of duty or dutiable goods are mixed with duty-free goods, packed together in such a manner that the Colombian customs inspector cannot easily determine the quantity and the value of each different kind, import duty on all the goods in the package will be assessed at the highest rate applicable to any of the goods it contains.

Marks and serial numbers should be clearly shown on each package or shipping-case. Although not required by law, it is good practice to mark the gross weight in kilograms on each case. Identical marks and numbers are not permitted on packages of goods covered by the same consular invoice, except for metal in bars or in other forms and lumber unpacked or in crates. For violations of this provision there is a fine of 5 pesos for each package bearing a repeated mark or number and, if the repetition also appears in the customs import manifest submitted by the consignee, an additional charge of 10 per cent of the

import duties is assessed. Shipments of goods consisting of more than fifty packages of uniform weight, size, and content are not required to be numbered consecutively.

Travelling.—Visitors from Canada to Colombia will find the Canadian winter months, December to April, the most pleasant period of the year in which to travel to the Caribbean area. Most businessmen visiting Latin America now do so only by air, as

travel by ship is very slow, but, if time permits, ocean travel could be very pleasant, and the various shipping lines serving Latin America are resuming their pre-war passenger services. Travellers should come adequately supplied with United States dollar travellers' cheques or a letter of credit in United States dollars. Canadian currency is not negotiable in Colombia or elsewhere in Latin America.

ECONOMIC, TRADE AND PRODUCTION NOTES

Italy

PRIVATE TRADING RESUMED

From February 15, 1946, the foreign trade of Italy, after having been effected through official channels, reverted to the initiative of private traders. This liberty of trade is, however, more theoretical than practical, as with certain exceptions it is subordinated to special permission of the "Italian National Institute for Foreign Commerce", and payment for imports and exports must be settled through authorized banks. The "Foreign Trade Compensation Fund", created by the Italian Government, grants a premium of 125 per cent on the official rate of exchange against free currencies, although contracts are made at the official rate.

In general, imports are limited to food, raw materials, or partly manufactured articles required for national reconstruction, and these are imported direct by the State by arrangement with the Allied authorities and UNRRA. Special application is neces-

sary for the import of other goods, and in general these have been systematically refused. Any amelioration of this check on Italian import trade will no doubt be dependent on the ability of the Italian State to acquire foreign currency arising from exports or the ability to raise loans from other countries.

Export trade is less restricted, as certain goods may be exported without difficulty provided the exporter deals with the foreign currency arising therefrom through "Italian Exchange Institution."

The Italian Government has issued a "reserved commodities list" which includes commodities the export or import of which is subject to special authorization by the Allied authorities. A list has also been published of goods which may be exported to countries with free currencies. This is a comprehensive list of raw materials and articles which Italy normally exports, such as wines, fruit, hemp and similar products, and various manufactured articles.

POSTAL SERVICES AND RATES

Siam (Thailand)

RATES AND WEIGHT LIMITS CHANGED

Letters and letter packages will now be accepted for transmission to Siam weighing up to 4 pounds 6 ounces, prepaid at the rate of 5 cents for the first ounce and 3 cents for each additional ounce. Packages containing dutiable articles must bear a green customs label. The weight limit of air mail to Siam has been increased to 4 pounds

6 ounces. The rate on air mail is 50 cents per half-ounce or fraction thereof. Canada Air Letter forms may be mailed at the rate of 15 cents each. Registration service has been resumed to Siam. The weight limit of printed and commercial papers has also been increased to 4 pounds 6 ounces. The service for sample post has been resumed under normal conditions, including the weight limit of 1 pound.

TRADE REGULATIONS AND TARIFF CHANGES

Brazil

DUTIES ON RYE AND MACARONI SUSPENDED

Mr. W. G. Smith, Assistant Commercial Secretary, Canadian Embassy, Rio de Janeiro, writes that, under a Brazilian decree-law of May 24, 1946, the customs duties and other charges on imports into Brazil of rye in grain and flour and of macaroni and tagliarini have been suspended for a period of six months.

Mexico

IMPORT RESTRICTIONS RELAXED

Mr. D. S. Cole, Commercial Counsellor, Canadian Embassy, Mexico City, writes that a Mexican decree published May 2, 1946, removes restrictions on imports into Mexico of certain goods including the following: calcium carbonate; calcium chloride in textile or paper bags exceeding 45 kilograms

in weight; ether; unspecified salts of organic origin; unspecified inorganic acids; arsenite or arseniate of copper and insecticide preparations thereof in containers of over 20 kilograms; tinplate in sheets, painted, stamped or embossed; flat and expanded iron or steel wire for reinforcing packing cases; tinplate containers of up to 5 litres capacity; non-electric ovens weighing over 40 but not over 150 kilograms.

British Guiana

IMPORT LICENCES FOR WASHING- MACHINES

On June 4 the Controller of Supplies and Prices of British Guiana notified importers with quotas that applications for the importation of a limited number of electric washing-machines from Canada, based on imports during the years 1938 and 1939, will be accepted for consideration.

FOREIGN INQUIRIES FOR CANADIAN GOODS

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from the Department by bona fide Canadian manufacturers and exporters.

63. *United Kingdom* — Foster Electrical Supplies Limited, Morden Road, South Wimbledon, London S.W.19, is desirous of obtaining sole selling and distributing rights in Great Britain for electrical appliances. File 27520.

64. *Dominican Republic*—Francisco Sanable Rojas, P.O. Box 773, Ciudad Trujillo, D.R., has expressed interest in securing agency and representation on a commission basis for the following Canadian products:

building materials, hardware, corrugated zinc roofing sheets, barbed wire, farm machetes, cabinets for offices, sanitary effects for bathrooms, newsprint, mats, nylon stockings, and rayon textiles. File 24436.

65. *Mexico*—Sr. J. M. Palacios, Palacios, S.A., Hidalgo Pte 283, Monterrey, Mexico, have expressed interest in securing direct agencies for a wide variety of Canadian goods, including: light industrial and agricultural machinery; bicycles; radios; general hardware; garden rubber hoses; and light tractors. File: 25741.

66. *China*—A. R. Burkill & Sons Ltd., P.O. Box 253, Shell Building, 1 The Bund, Shanghai, have expressed interest in securing the agency for the following Canadian products: cod liver, oil; dried apples; fruit juices; canned fish; whisky; toilet paper; chemicals; wheat; rice; flour; sulphur; artificial silk; dry salt herrings.

This firm is also interested in exporting to Canada the following products: waste silk; china grass; cotton piece-goods; vegetable oils. File C.E. 228.

67. *China*—Liddell Bros. & Co., Ltd., 1 The Bund, 2nd Floor, Shanghai, have expressed interest in securing the agency on a

commission basis for the following Canadian products: newsprint; sole and upper leather; paper; pharmaceuticals; woollen goods; wool tops; metals; cotton piece-goods; plastics; chemicals and general merchandise; sprinklers and other fire-fighting appliances; humidifiers and thermolier heating installa-

tions; pumps and motors; high-draft cotton-spinning machinery.

This company is also interested in exporting to Canada the following products: feathers; wool; goatskins; hides; bristles; furs; cotton; deerskins; goat hair. File 27569.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations June 11	Nominal Quotations June 17
Argentina	Peso	Off.	.3282	.3282
		Free	.2701	.2706
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica)	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso	....	.6282	.6282
Cuba	Peso	....	1.1025	1.1025
Czechoslovakia	Koruna	....	.0220	.0220
Denmark	Krone	....	.2296	.2296
Ecuador	Sucre	....	.0816	.0816
Egypt	Pound	....	4.5538	4.5538
Eire	Pound	....	4.4400	4.4400
Fiji	Pound	....	4.0090	4.0090
Finland	Markka	....	.0081	.0081
France and North Africa	Franc	....	.0092	.0092
French Empire—African	Franc	....	.0157	.0157
French Pacific possessions	Franc	....	.0222	.0222
Haiti	Gourde	....	.2205	.2205
Hong Kong	Dollar	....	.2775	.2775
Iceland	Krona	....	.1702	.2702
India	Rupee	....	.3330	.3330
Iraq	Dinar	....	4.4400	4.4400
Italy	Lira	....	.0049	.0049
Jamaica	Pound	....	4.4400	4.4400
Mexico	Peso	....	.2268	.2268
Netherlands	Florin	....	.4153	.4153
Netherlands East Indies	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.5842	.5842
New Zealand	Pound	....	3.5698	3.5698
Norway	Krone	....	.2220	.2220
Palestine	Pound	....	4.4400	4.4400
Peru	Sol	....	.1709	.1709
Philippines	Peso	....	.5512	.5512
Portugal	Escudo	....	.0444	.0444
Siam	Baht	....	.1110	.1110
Spain	Peseta	....	.1009	.1009
Straits Settlements	Dollar	....	.5180	.5180
Sweden	Krona	....	.2627	.2627
Switzerland	Franc	....	.2563	.2563
Turkey	Piastre	....	.0085	.0085
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar	....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division, Industrial Development Division, and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Industrial Development Division.—Continues the Department's work in connection with the establishment of new industries and the study of new products, especially those suitable for export markets.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, *Canadian Government Trade Commissioner*, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEPOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Colombiana de Seguros, Ofa. No. 523.
Territory includes Republic of Panama, the Canal Zone, Nicaragua, and Costa Rica.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Ni.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.
J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.
Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE. Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Concluded*

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.
Territory includes Fiji and Western Samoa.

Norway

S. G. MACDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.
Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.
Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.
Territory includes the Azores and Madeira, Spain, Spanish Morocco, and the Canary Islands.

South Africa

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street.
Territory includes Tranvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.
Cable address, Cantracom.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street.
Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.
Cable address, Cantracom.

Until further notice, trade inquiries should be addressed to the Johannesburg office.

Sweden

F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.
Territory includes Finland. *Cable address, Canadian Stockholm.*

United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.
Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.
Territory includes the Midlands, North of England, and Wales.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street.
Territory covers Scotland.

Cable address, Cantracom.

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.
Territory includes Bermuda.

Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

Venezuela

C. S. BISSETT. Address for letters—% Royal Bank of Canada, Caracas.
Territory includes Netherlands West Indies.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

CANADIAN BACON FOR THE UNITED KINGDOM MARKET

By W. B. GORNALL, *Canadian Trade Commissioner at London*

Canada has undertaken to supply the British market with 350 million pounds of bacon in 1947 and 400 million pounds in 1948. Assuming that sufficient hogs are available, and that the proportion of each grade is similar to that of the 1945 marketings, about 60 per cent, or 240 million pounds, of export bacon will consist of Grade A Wiltshire sides of sizeable weights (55 to 65 pounds) in Selections 1, 2 and 3, according to fat. The remaining 160 million pounds will consist of bacon of less desirable weights and lower quality.

With a world-wide shortage of meat, coupled with severe rationing in the United Kingdom, the ratio between high- and low-quality bacon may not be a serious factor. But, when meat supplies return to normal and com-

petition from the Danish hog is restored, the quality factor will assume the utmost importance. To maintain the post-war demand for Canadian bacon on a profitable basis and at a level approaching the wartime supply, the producer should exert every effort to increase the number of Grade A hog carcasses yielding Wiltshire sides of sizeable weights. To meet anticipated competition, particularly from Denmark, the percentage should be almost twice the present figure.

Wartime Conditions

The various grades and selections in the several weight ranges of Wiltshire sides exported to the United Kingdom during the contract years 1944 and 1945 are shown as percentages in the following table:—

Canadian Exports to the United Kingdom of Wiltshire Sides in 1944

Grade	45 to 55	Weight Ranges in Pounds			Total
		55 to 65	65 to 70	Over 70	
		Percentage of Total Exports			
A1	4.0	41.6	17.2	8.4	71.2
2	0.2	8.6	4.5	2.5	15.8
3 .....	...	2.4	1.7	1.4	5.5
Total	4.2	52.6	23.4	12.3	92.5
B1	0.6	4.6	1.3	0.5	7.0
2 .....	...	0.2	0.1	0.1	0.4
3 .....	...	...	0.1	...	0.1
Total	0.6	4.8	1.5	0.6	7.5
Grand total	4.8	57.4	24.9	12.9	100.0

Canadian Exports to the United Kingdom of Wiltshire Sides in 1945

Grade	45 to 55	Weight Ranges in Pounds			Total
		55 to 65	65 to 70	Over 70	
		Percentage of Total Exports			
A1	3.8	50.7	19.8	4.2	78.5
2	0.2	8.0	4.4	1.0	13.6
3 .....	...	0.4	0.3	0.2	0.9
Total	4.0	59.1	24.5	5.4	93.0
B1	0.3	4.6	1.5	0.4	6.8
2 .....	...	0.1	0.1	...	0.2
3 .....	...	...	...	...	...
Total	0.3	4.7	1.6	0.4	7.0
Grand total ...	4.3	63.8	26.1	5.8	100.0

During the war years and continuing up to the present time, the Danish farmer has been forced to depart from his established pre-war feeding practice and substitute boiled potatoes for a large part of the grain feed and widen the range in killing weights for bacon hogs from 60/66 kilos (one kilo equals 2.2 pounds) to 60/80 kilos. This has resulted in much fatter bacon than was the rule in pre-war years, and the killing weights permitted are perhaps of greater range than those now prevailing in Canada. However, Danish bacon has a great reputation on the United Kingdom market, and undoubtedly the Danish product will revert to pre-war quality as soon as conditions permit, with exports to the United Kingdom limited to the official "LER" Brand.

There may be a tendency to compare current Canadian practice in hog production and grade standards with the present enforced system now prevailing in Denmark. Such a comparison has little to commend it, owing to current practice in both countries being determined by feed shortages and the United Kingdom demand for the largest possible supply. It would be preferable to compare current Canadian practice in bacon hog production with traditional Danish practice, as it will be with Danish bacon of the pre-war standard of quality that Canada will have to compete in the days ahead.

From reliable sources it is estimated that approximately 85 to 90 per cent of the Danish bacon sold in the United Kingdom in pre-war years consisted of Wiltshire sides in the sizeable weights (55 to 60 pounds), Selections 1, 2 and 3. While wartime conditions exacted a departure from this high standard of production, it is certain that Denmark will return to traditional practice immediately the feed supply and other conditions permit, whether the British Ministry of Food continues to be the sole importer or private trading is resumed. On this fairly safe assumption, it would appear desirable that future production of bacon in Canada for export to the United Kingdom should be based on the highest possible

production of Wiltshire sides in sizeable weights of the three selections. The measure in which this can be accomplished will be the criterion of success against anticipated severe Danish competition.

Post-war Prospects

There are no apparent reasons why Canada should not secure a larger share of the post-war bacon market in the United Kingdom than that obtained under the quota system in force during the years immediately preceding the war recently concluded, providing the required quality can be offered in sufficient volume.

Normal annual bacon consumption in the United Kingdom is approximately 1,200 million pounds, of which Canada may desire to supply one-third, or 400 million pounds, the quantity which the Dominion has undertaken to provide in 1948. To maintain such a volume in regular supply and in face of the severe competition likely to develop when other sources of supply become available, it will be necessary to produce approximately 3.4 million Grade A hog carcasses of the best type to provide the Wiltshire sides in the preferred sizeable weights and selections. In the calendar year 1945, the number of Grade A carcasses was officially recorded at 1,882,800, and the Wiltshire sides exported to the United Kingdom included 59.1 per cent in the 55 to 65-pound category, 24.5 per cent weighing from 65 to 70 pounds, and 12.3 per cent weighing over 70 pounds.

These figures indicate the nature of the problem, involving an increase of approximately 90 per cent over the Grade A carcass production in 1945 and the greatest possible concentration in the production of carcasses to yield Wiltshire sides of the preferred sizeable weights.

To stabilize Canada's export bacon market at or about the 400 million-pound level in the face of severe competition, there will have to be a much closer association between the Wiltshire side and the breeding sow from which

it is derived. In Denmark there is a very close tie-up between the bacon industry and the pig-testing station. While a somewhat similar system, but on a much less comprehensive scale, has been established in Canada, it would appear desirable to extend the system and place much greater emphasis on breeding stock qualified at a testing station.

The official carcass-grading figures for 1945 indicate that, unless the standard bacon hog, coupled with a balanced-ration feeding system, is more extensively applied throughout the hog-producing areas than appears to be the case at present, the superior Danish system will defeat any Canadian claim to a larger market in the United Kingdom. The ability of the Danish farmer in pre-war days to provide a large volume of the best Wiltshire sides contributed in great measure to successful marketing operations and to the spread of 10 to 12 shillings per hundredweight in favour of the Danish as compared with the Canadian product.

Breeding and Feeding Important Factors

A uniform practice in the processing of bacon was established throughout Canada during the war years. The problem, therefore, is not to be solved entirely in the factory (although technique in butchering and other factory practices may not yet have reached perfection) but in breeding and feeding. To meet competition in future, policies must be directed towards the production in much larger numbers than heretofore of hogs which will yield Wiltshire sides of the required type and weight.

The results achieved at the small-scale pig-testing stations in Canada show that the right type of pigs, fed on standard balanced rations, yield 75 per cent Grade A carcasses. The remainder, while fed on the standard balanced ration, were not of the breeding and type most suited for bacon purposes. This indicates that the problem of quality production can be solved

if the principal of the testing station for breeding sows is sold to the commercial hog-raiser to the extent the situation demands. To assist in the achievement of such a policy, it may be desirable to remove gradually the present bonus on B.1 carcasses and maintain or increase the bonus on Grade A carcasses.

There are many factors involved in the production of hogs, particularly in Western Canada, which contributed the greater part of the increased supply during the war years. In Ontario, and perhaps in Quebec, production has been more or less stabilized for many years and is far less subject to other influences than the newer production areas in the West, but sooner or later a more mixed-farming policy, in which the hog plays an important part, will be found essential to the agricultural economy of certain grain-growing areas in the Prairie Provinces. However, development will be dependent upon Canada's ability to hold a market in the United Kingdom for approximately 400 million pounds of bacon annually. To hold this market in turn depends upon large-scale production of the best type of hog carcasses.

An increase in high-grade carcasses cannot be accomplished simply by increasing the total hog population without reference to improved breeding type. This would inevitably leave too large a surplus of undesirable hogs to market elsewhere, with an unavoidable fall in price followed by a rapid decline in population. The increase must be achieved out of an economic hog population by improving the type and feeding methods over the whole producing area and, in addition, by the exercise of greater care by producers in marketing hogs at the proper killing weight.

Under present conditions of controlled imports, with the Ministry of Food the sole importer, coupled with a general meat shortage throughout the world, Canada will be able to sell to the United Kingdom all the bacon she is able to produce for export during

the next few years. Thus, with an assured market over a reasonable period of time, an opportunity is afforded to place the industry on a

basis which could progressively and successfully meet competition from any source that may arise whether or not controls are eliminated.

TRADE COMMISSIONERS ON TOUR IN CANADA

The following Canadian Trade Commissioners are now visiting the principal industrial centres of Canada in the interest of Canadian trade with the territories of the posts to which they will shortly proceed: Mr. T. J. Monty, formerly Trade Commissioner at Los Angeles, who is being transferred to Athens, Greece (territory includes Turkey); Mr. Maurice Bélanger, Commercial Secretary, Canadian Embassy at Rio de Janeiro, Brazil; Mr. J. P. Manion, who has recently returned from a trade mission to North Africa, Switzerland and Italy and will re-open at Rome (territory includes Malta) the office formerly located at Milan; and Mr. L. H. Ausman, formerly Trade Commissioner at New York, who will open a new office at Leopoldville, Belgian Congo (territory includes Tanganyika, Kenya, Uganda, and Angola).

Their itineraries as at present arranged are as follows:—

Mr. Ausman

Winnipeg—July 2 and 3.
Edmonton—July 5.
Vancouver—July 9 to 15.
Victoria—July 17 and 18.
Calgary—July 24.

Mr. Monty

Montreal and Granby—July 2 to 13.
Quebec City—July 15 and 16.
Halifax—July 18 and 19.
Saint John—July 20.
Ottawa—July 22 to 24.
Toronto and district—July 25 to August 3.

Mr. Bélanger

Toronto—July 6 to 8.

Mr. Manion

Vancouver—July 2 to 6.
Ottawa—July 10 to 13.
Montreal—July 15 to 24.
Quebec City—July 25 and 26.
Halifax—July 30.
Saint John—August 1.

Firms wishing to confer with these Trade Commissioners should communicate: for Victoria, with the Trade Commissioner's office, Department of Trade and Industry; for Vancouver, Edmonton, Winnipeg, and Toronto, with the office of the Canadian Manufacturers' Association; for Ottawa, with the Department of Trade and Commerce; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

NEW FIVE YEAR PLAN FOR THE SOVIET UNION

MOTOR TRANSPORT

Contributed by the European Section of the Foreign Trade Service

Under the Five Year Plan, the number of motor vehicles in use in the Soviet Union will be increased threefold by 1950. This increase, which will require an annual production of 500,000 vehicles by that year, is to be achieved by expansion of the three main existing plants, all of which are in the R.S.F.S.R.: the Stalin plant in Moscow, the Molotov plant in Gorki,

and the plant in Yaroslavl, and with the construction of new plants at Dniepropetrovsk in the Ukraine, Kutaisi in Georgia, Minsk in White Russia, and Novosibirsk in Siberia. According to the Plan, the total number of motor vehicles to be produced in 1950 (428,000) will be trucks. As the Plan provides, the proposed development of the industry involves a transition to the

mass-production of trucks with greater carrying capacity and greater fuel economy. Passenger cars, the wide use of which is, of course, restricted by lack of suitable highways, are of secondary importance. In conformity with the established press practice, however, greater publicity has been given to the development and production of the new model ZIS-5 passenger car, the pride of the Soviet automobile industry, produced by the Stalin works, as being typical of the consumer's product which will eventually be available to the deserving elements of the population. In the "popular-car class" is a light four-passenger machine, the Moskvich. In the meantime the demand for private cars, at least in Moscow, is being met largely by German vehicles at prices ranging from 60,000 to 100,000 rubles.

Gorki Plant to be Expanded

It is stated that, by the end of the current Five Year Plan, the Gorki plant will be the largest automobile factory in Europe. The Moscow press announced last autumn that, in preparation for this expansion, a group of engineers and technicians from the plant had been sent to investigate production methods in the United States. It is planned to produce 300,000 heavy and light automobiles a year in the Gorki plant. Two new models will come off the assembly line. One is the GAZ-51, a 2½-ton truck with a greater capacity than the present model, made in the Gorki works and having the even greater virtue of being more economical in the use of gasoline than the model it replaces. The other car to be produced by the Gorki plant is the new light passenger model "Pobeda" (Victory), which is stated to be an unusually economical, strong and comfortable machine. On good roads it will be able to attain a speed of 68 miles an hour, with fuel consumption much less than for the former M-1 model. Indicative of the high tempo of the planned increase in production at the Gorki plant are the following estimates recently released: if the output for 1940 is taken as 100,

the production index for 1946 should reach 106·9; for 1947, 168; for 1948, 267·3; for 1949, 367; and for 1950, 458·2.

Living Conditions for Workers to be Improved

Such an increase in production will require within a very short time extensive development of the production of machine tools and expansion and modernization of facilities. An increase in the plant's personnel from 45,000 workers to 90,000 by the end of the five-year period is called for, although it is stated that the rate of increase in output will be twice as great as in workers and floor space. The provision of living space for this additional personnel is, of course, the responsibility of the factory organization. Press reports vary in optimism regarding the solution of what would seem to be a major problem in connection with the carrying out of the plan. *Red Fleet* stated last autumn that "great attention in the Five Year Plan is paid to the improvement of the living conditions of the workers. In the factory town where at the present time 130,000 people are living, many new stone dwellings are to be built. A theatre is to be constructed . . ." An article which appeared in the *Moscow News* about the same time speaks of "new blocks of apartment houses" and states that "the plans call for the building of 115,000 square metres of housing floor space". Even assuming that this housing provision of the plan is given due priority, its completion would mean that almost 50,000 additional workers would have to share this space, an average equivalent of about 2·5 square metres per person.

Production Planned for Other Plants

The plan for the Yaroslavl auto plant is based on the production of a five-ton seven-ton Diesel-powered truck, the YAAZ-200, which will make its first appearance in the second half of 1946, after the factory has been completely reorganized.

Construction plans are already under way for the large new automobile plant at Dniepropetrovsk, in the Ukraine. One of the country's largest industrial centres, with a well-developed iron and steel industry, it has all the prerequisites for the economical manufacture of automobiles. The building materials are being prepared on the spot, and its seventy factory blocks will cover nearly 500 acres. With the exception of ball bearings, rubber and electrical accessories, this plant is designed to produce all the necessary parts in its own shops. The factory will produce a new 3½-ton truck, which will be stronger and consume less fuel than the 3-ton ZIS-5 truck, now used extensively throughout the Soviet Union. To the foreigner this would not appear to be an impossible achievement, for the ZIS-5, which, with its antiquated design and high, square, wooden driver's cab, is a common sight in Moscow, does not look as though it would withstand for long the hard usage to which it is subjected on the roads of the Soviet Union. It is stated that by the end of 1946, pending the completion of the Dniepropetrovsk plant, some shops will begin turning out trucks assembled from parts produced by the Stalin auto plant in Moscow, while the independent production of trucks is scheduled to begin by the end of 1947. Workers for the plant are now being trained at other automobile works.

Far removed from the main centres of the Soviet automobile industry, the eastern section of the country is in great need of motor transport. The Urals Automobile Plant, built in wartime in the city of Miass, met the requirements of the Volga area and the Urals. The proposed industrial development of Siberia is adversely affected by the lack of transport. It is with this fact in mind that provision is made in the new Plan for the construction in Novosibirsk of one of the largest automobile plants in the Soviet Union to promote the development of automobile transport in Siberia. It is reported that ground has already been broken for the construction of this plant by the Ministry for the Construction of Enterprises of the Heavy Industry, and construction work will be in full swing in 1947-48.

The importance attached to the development of the automobile industry and motor transport in general may be judged from the fact that a full month before the announcement of the Fourth Five Year Plan a decree announced that the People's Commissariat for Medium Machinery was to be changed into a new Commissariat for the Automobile Industry. Furthermore, Stalin is regarded as the actual founder of the industry in the Soviet Union and, as *Pravda* states, "every step forward made by the industry is linked with his name".

CANADA'S EXPORT TRADE IN MAY

Canada's merchandise export trade recorded a further decline in May, but the reduction was less pronounced than in March and April, according to the monthly summary issued by the Dominion Bureau of Statistics. May exports were valued at \$196,978,000 as compared with \$178,488,000 in April and \$315,192,000 in May, 1945. The decrease in May, as compared with May last year, was 37.2 per cent as against 42.9 per cent for April and 40.8 per cent for March. Export trade for the first five months of the current

year aggregated \$896,077,000 as compared with \$1,395,552,000 for the similar period of 1945, an average decrease of 34.9 per cent.

Decreases of varying proportions were recorded for six of the main commodity groups and increases for three. Largest declines were in agricultural and vegetable products, iron and its products, and the miscellaneous commodities group, which had included a substantial proportion of exports for war purposes. The major group increase was in wood, wood products and paper.

Exports of agricultural and vegetable products declined to \$53,013,000 from \$76,919,000 for May last year, but showed an advance above the April value, which stood at \$46,436,000. The cumulative total for the five months amounted to \$231,999,000, a decline of less than \$7 million from the aggregate for the similar period of 1945. Wheat shipments in May fell about \$16 million in value, from \$40,303,000 last year to \$24,271,000, but for the five months were substantially higher at \$108,631,000 as against \$89,736,000. Exports of wheat flour continued their previous advance, being valued at \$13,655,000 for the month as compared with \$9,584,000 for the corresponding month last year, and for the January-May period at \$51,527,000 as against \$39,438,000.

Shipments in the animals and animal products group declined to \$29,782,000 as compared with \$33,913,000 last year, but also showed an advance in value over the April figure of \$24,146,000. Meats were again sharply lower at \$11,498,000 as against \$16,133,000; fish and fishery products declined slightly to \$5,865,000 from \$6,288,000; furs, mainly undressed, rose from \$1,888,000 to \$4,265,000.

Reversing the decline of April, shipments in the fibres, textiles and textile products group were valued at \$7,888,000 as compared with \$4,291,000 in May last year. The major factor in this increase was an advance in wool exports from \$589,000 to \$3,871,000.

Exports in the wood and paper group continued the advance of previous months, being valued at \$48,765,000 as against \$39,269,000 last year, and for the five months at \$221,949,000 as against \$180,339,000. Newsprint advanced to \$21,808,000 from \$14,684,000, and planks and boards to \$8,168,000 from \$6,746,000, other items showing only minor changes.

Shipments of iron and iron products were again sharply lower at \$17,810,000 as compared with \$59,719,000, the January-May total standing at \$92,480,000 as against \$305,800,000. Greatly reduced figures for automobiles and parts again accounted for the

major part of the decrease. Among other larger items of the group, farm implements and machinery rose to \$3,282,000 from \$1,924,000, and engines and boilers to \$2,410,000 from \$1,319,000.

Exports of non-ferrous metals and their products were valued at \$23,814,000 as compared with \$29,891,000, sharp decreases being recorded for aluminum and electrical apparatus, and increases for copper, lead, zinc, and precious metals (except gold). Shipments of non-metallic minerals rose slightly to \$4,809,000 from \$4,736,000 a year ago. Those of chemicals and allied products declined to \$5,826,000 from \$13,324,000, lower values being recorded for explosives, inorganic chemicals and industrial alcohols. For the miscellaneous commodities group the total was \$5,271,000 as compared with \$53,129,000 for May last year. The sharp decrease in this group was due to the almost complete cessation of exports of aircraft, ammunition and other items for war purposes included in this classification.

Commodity exports to the United Kingdom in May were valued at \$54,902,000 as compared with \$115,574,000 in the corresponding month of last year and \$40,974,000 in April, the total for the five months being \$235,458,868 as against \$484,147,398. May shipments to the United States amounted to \$72,200,000 as against \$117,228,000, and in the five months to \$329,950,000 as compared with \$505,914,000. Next highest in value were those to British South Africa at \$7,118,415, sharply up from \$2,150,774; and to France at \$5,290,157 as compared with \$4,867,942.

Among other British Empire countries, exports to British India fell sharply to \$4,508,000 from \$23,039,062 in May last year, being mainly due to the drop in war shipments. Those to Newfoundland were valued at \$4,300,086 as against \$3,740,801, Australia, \$3,182,765 (\$1,086,795); Trinidad and Tobago, \$2,270,029 (\$1,436,829); Jamaica, \$1,326,373 (\$886,928); New Zealand, \$1,051,619 (\$1,250,379).

May shipments to Belgium were valued at \$3,607,343 as against \$1,837,140; Czechoslovakia, \$1,266,459 (\$168,125); Netherlands, \$2,423,173 (\$105,577); Norway, \$1,743,224 (\$190); Poland, \$2,851,858 (\$564,292); Russia, \$1,738,147 (\$10,392,303); Sweden, \$1,097,646 (\$15,632).

There was a further general advance in shipments to countries of South and Central America in May. Major increases were: Argentina, \$766,061 as compared with \$516,079; Colombia,

\$886,475 (\$456,170); Mexico, \$847,419 (\$541,125); and Venezuela, \$1,307,199 (\$501,428).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of May and the five months ended May, 1945 and 1946.

Exports by Principal Countries

	Month of May		Five Months ended May	
	1945	1946	1945	1946
Total exports	\$ 315,191,920	\$ 196,978,472	\$1,395,551,954	\$ 896,076,557
British Empire	154,044,452	84,841,342	687,484,119	344,589,965
United Kingdom	115,573,785	54,902,155	484,147,398	235,458,868
Eire	1,223,681	462,708	3,571,709	2,701,787
Aden	6,666	5,160	95,678	56,536
Africa—				
British East	210,394	298,434	1,403,172	948,023
British South	2,150,774	7,118,415	12,027,442	19,733,739
Southern Rhodesia	319,046	480,587	983,066	1,435,911
British West—				
Gambia	775	7,502	15,974	29,215
Gold Coast	17,257	88,921	204,624	387,427
Nigeria	15,324	91,843	101,382	354,373
Sierra Leone	18,732	73,227	167,881	229,505
Bermuda	122,604	358,205	1,074,751	1,250,605
British East Indies—				
British India	23,039,062	4,508,009	124,209,749	27,377,675
Burma .....	....	10,148	....	303,369
Ceylon	839,756	166,741	2,942,793	848,922
Straits Settlements .....	....	355,072	....	1,236,362
Other British East Indies... ..	....	1,714	....	46,542
British Guiana	717,341	637,196	2,952,728	2,455,939
British Honduras	152,100	104,626	353,277	466,230
British Sudan	2,833	630	46,934	60,671
British West Indies—				
Barbados	414,159	594,475	1,365,545	2,148,442
Jamaica	886,928	1,326,373	5,617,195	4,143,608
Trinidad and Tobago	1,436,829	2,270,029	7,130,785	6,165,127
Falkland Islands .....	....	....	7,842	1,572
Gibraltar	14	729	14,842	122,643
Hong Kong .....	....	807,843	....	1,596,000
Malta	63,530	875,806	1,703,658	2,092,786
Newfoundland	3,740,801	4,300,086	15,048,215	12,550,126
Oceania—				
Australia	1,086,795	3,182,765	12,740,395	11,267,391
Fiji	92,873	1,168	115,892	109,890
New Zealand	1,250,379	1,051,619	6,178,229	5,306,581
Other British Oceania	20,011	59	59,016	7,676
Palestine	153,300	70,673	830,482	1,201,314
Foreign countries	161,147,468	112,137,130	708,067,835	551,486,572
Abyssinia	857	2,661	3,485	5,957
Albania .....	....	702	....	50,532
Argentina	516,079	766,061	2,058,424	4,244,686
Austria .....	....	1,284,609	....	1,993,158
Belgium	1,837,140	3,607,343	2,848,595	27,146,788
Belgian Congo	104,331	103,100	282,641	556,276
Bolivia	23,925	58,362	118,150	251,324
Brazil	1,453,580	1,404,336	4,254,897	8,717,924

	Month of May		Five Months ended May	
	1945	1946	1945	1946
Chile	182,273	322,186	794,686	1,522,818
China	1,419	1,916,227	24,328	9,279,059
Colombia	456,170	886,475	1,465,716	3,690,925
Costa Rica	47,075	45,842	157,385	459,860
Cuba	271,413	356,300	1,778,431	2,277,534
Czechoslovakia	168,125	1,260,459	575,188	6,876,539
Denmark .....	.....	74,198	.....	769,818
Greenland	7,445	18	543,587	19,037
Ecuador	34,310	43,267	112,092	241,436
Egypt	4,283,786	1,222,487	21,766,913	5,934,416
Finland .....	.....	40,177	.....	186,954
France	4,867,942	5,290,157	26,063,777	32,112,419
French Africa	234,007	681,621	5,247,548	8,361,416
French East Indies .....	.....	1,932	.....	25,019
French Guiana	4,192	73,647	14,934	101,598
French Oceania	26,365	4,010	71,826	42,266
French West Indies	7,798	160,782	19,011	478,281
Madagascar	2,120	11,726	9,687	111,260
St. Pierre and Miquelon	51,510	87,163	224,960	281,411
Germany .....	.....	788,573	.....	3,133,456
Greece	1,533,733	525,595	4,568,539	2,721,274
Guatemala	49,533	24,480	146,318	385,441
Haiti (Republic of)	30,146	134,926	218,895	479,166
Honduras	22,414	42,228	57,398	328,488
Hungary .....	.....	36,547	.....	49,457
Iceland	742,646	706,472	1,771,720	1,320,562
Iraq	73,222	182,933	659,830	1,259,002
Italy	12,239,110	694,363	73,261,794	6,267,671
Italian Africa, other .....	.....	.....	5,562	2,557
Liberia	18,304	7,831	38,992	26,376
Mexico	541,125	847,419	3,008,137	3,790,916
Morocco	63,733	129,455	244,397	965,568
Netherlands	105,577	2,423,173	592,222	17,394,745
Netherlands East Indies .....	.....	393,593	.....	3,791,282
Netherlands Guiana	45,036	82,496	77,946	173,461
Netherlands West Indies	83,230	167,951	306,600	553,039
Nicaragua	33,021	22,171	142,154	91,786
Norway	190	1,743,224	190	8,669,061
Panama	45,960	93,501	312,994	593,986
Paraguay	70	15,711	14,985	43,604
Persia	186,376	39,282	830,988	277,481
Peru	245,976	206,422	892,146	1,215,790
Poland	564,292	2,851,858	2,372,930	9,938,430
Portugal	174,569	317,065	341,999	1,419,891
Azores and Madeira	102	2,944	10,188	27,452
Portuguese Africa	19,767	200,128	636,513	813,442
Portuguese Asia	250	1,631	2,105	4,780
Russia (U.S.S.R.)	10,392,303	1,738,147	30,252,351	14,994,593
Salvador	27,083	4,011	181,077	161,838
San Domingo	43,091	129,870	247,409	558,230
Siam .....	.....	1,319	.....	2,969
Spain	17,300	185,560	562,005	223,601
Canary Islands .....	.....	192,027	.....	280,195
Sweden	15,632	1,097,646	15,632	2,963,165
Switzerland	691,520	240,658	5,767,834	1,775,924
Syria	19,428	12,575	43,185	94,783
Turkey	112,529	313,710	355,354	894,660
United States	117,228,225	72,200,139	505,913,954	329,950,135
Alaska	22,571	29,496	58,283	82,692
American Virgin Islands	23	6,461	8,652	35,311
Guam	1,138	.....	3,064	2,773
Hawaii	270,403	253,499	1,716,153	1,538,500
Philippine Islands .....	.....	876,813	.....	3,332,543
Puerto Rico	120,903	305,311	985,926	1,398,089
Uruguay	158,669	119,634	617,536	839,274
Venezuela	501,428	1,307,199	1,444,660	6,044,221
Yugoslavia	124,978	729,037	936,429	4,834,851

Exports by Principal Commodities

	Month of		Five Months	
	1945	1946	1945	1946
		Thousands of	Dollars	
Total domestic exports*	315,192	196,978	1,395,552	896,077
Agricultural and vegetable products	76,919	53,013	238,215	231,999
Fruits	648	135	4,611	1,425
Fruits, fresh	58	12	2,217	783
Apples, fresh	22	2	2,016	699
Fruits, dried	249	7	1,116	32
Apples, dried	249	7	1,116	10
Fruits, canned	231	112	564	338
Fruit juices and fruit syrups	110	4	713	271
Nuts	33	....	106	12
Vegetables	1,393	946	10,873	5,601
Vegetables, fresh	749	244	6,311	1,566
Potatoes (except seed)	701	150	5,111	460
Vegetables, dried	289	442	3,194	1,831
Vegetables, canned	241	191	953	1,929
Pickles, sauces and catsups	114	69	415	274
Grains	50,046	26,047	122,142	115,872
Barley	3,863	....	10,639	81
Wheat	40,303	24,271	89,736	108,631
Milled products	10,756	14,448	43,858	54,086
Flour of wheat	9,584	13,655	39,438	51,527
Prepared foods and bakery products	291	292	961	915
Biscuits and bread	123	25	445	70
Cereal foods, prepared	101	56	321	335
Farinaceous products, other	451	664	1,569	2,757
Vegetable fats, edible	164	142	573	639
Sugar and products	2,165	433	4,553	905
Sugar (refined)	1,173	31	1,342	61
Vegetable products, other, mainly food	208	312	964	1,101
Beverages, alcoholic	2,803	3,975	12,387	16,042
Ale, beer and porter	327	443	2,344	1,631
Beverages, distilled	2,470	3,525	9,997	14,389
Whisky	2,362	3,364	9,570	13,616
Wines	5	7	46	22
Balsam	2	4	19	13
Oil cake and oil cake meal	2	....	3	58
Oils, vegetable, not edible	254	413	807	1,800
Linseed and flaxseed oil	248	401	761	1,665
Plants, shrubs, trees and vines	9	16	46	137
Rubber	3,128	2,386	14,031	9,582
Pneumatic tire casings	1,089	921	6,646	3,416
Inner tubes	103	124	591	477
Seeds	1,622	512	10,907	8,387
Seed potatoes	181	200	3,128	2,476
Tobacco	2,051	639	5,929	4,357
Tobacco, unmanufactured	1,883	628	5,312	4,112
Vegetable products, other, not food	893	1,648	3,879	8,310
Hay	285	324	328	1,831
Animals and animal products	33,913	29,782	164,275	149,394
Animals, living	1,812	2,068	6,093	6,936
Cattle (except for stock)	877	1,222	2,402	3,728
Bones, horns and hoofs	24	9	141	114
Fish and fishery products, n.o.p.	6,288	5,865	26,507	29,847
Fish, fresh and frozen	4,585	3,412	15,672	15,044
Fish, dried, salted, pickled, smoked	674	777	4,048	4,259
Fish, canned or preserved	1,008	1,598	6,721	10,364
Furs	1,888	4,265	12,925	20,736
Undressed furs	1,834	4,185	12,509	20,040
Hair and bristles	39	107	347	535
Hides and skins, raw	23	117	103	958
Leather, unmanufactured	380	695	1,625	2,572
Leather, manufactured	203	974	1,224	3,024
Meats	16,133	14,498	79,703	61,863
Bacon, hams, shoulders, sides	11,532	7,879	50,457	28,193
Milk and products	1,139	885	8,780	6,518
Butter	170	90	838	547
Cheese	359	89	4,463	3,303
Animal oils, fats, greases and wax	383	142	2,506	1,025
Animal products, other	5,601	3,158	24,322	15,267
Eggs in the shell	2,211	1,741	10,301	8,318
Eggs, processed	3,069	1,096	12,718	5,722

	Month of May		Five Months ended May	
	1945	1946	1945	1946
	Thousands		of Dollars	
Fibres, textiles and textile products	4,291	7,888	29,347	26,344
Cotton	385	986	5,159	4,635
Cotton fabrics	254	489	2,341	2,090
Flax, hemp and jute	136	361	762	1,457
Fibre and tow	109	216	641	1,037
Wool	589	3,871	8,760	11,405
Wool, raw	287	99	1,704	841
Artificial silk	1,367	916	4,845	2,683
Fabrics, artificial silk	64	281	679	892
Fibres and textiles, other	1,814	1,754	9,821	6,164
Wood, wood products and paper	39,269	48,765	180,339	221,949
Wood, unmanufactured	11,437	13,520	57,094	64,367
Logs	276	176	986	1,079
Planks and boards	6,746	8,168	33,738	37,807
Timber, square	49	175	261	432
Shingles	663	915	3,316	4,028
Pulpwood	1,253	1,348	6,357	8,489
Wood, manufactured	10,647	11,009	44,756	48,831
Wood-pulp	10,190	10,450	42,837	45,613
Paper	16,714	23,662	76,463	106,278
Newsprint paper	14,684	21,808	66,796	98,321
Books and printed matter	471	575	2,026	2,473
Iron and its products	59,719	17,810	305,800	92,480
Iron ore	214	259	311	259
Ferro-alloys	1,563	689	6,943	3,584
Pigs, ingots, blooms, billets	872	713	1,690	2,477
Scrap iron	27	8	140	107
Castings and forgings	746	236	4,446	849
Rolling-mill products	1,181	673	5,087	3,485
Pipes, tubes and fittings	285	69	1,303	626
Wire	312	111	1,238	425
Chains	3	3	47	93
Engines and boilers	1,319	2,410	6,708	14,714
Farm implements and machinery	1,924	3,282	7,756	13,932
Hardware and cutlery	271	353	1,551	1,532
Machinery (except agricultural)	1,883	1,178	9,795	4,931
Stamped and coated products	20	49	125	157
Tools	246	120	762	432
Vehicles, chiefly of iron	35,474	7,234	192,360	43,052
Automobiles, freight	18,392	3,074	116,188	20,496
Automobiles, passenger	7	478	18	851
Automobile parts	9,250	1,637	54,077	9,336
Iron products, other	13,377	423	65,537	1,823
Non-ferrous metals and their products	29,891	23,814	171,942	91,720
Aluminium	10,914	6,359	71,148	13,091
Bars, blocks, ingots, blooms	9,481	5,822	65,158	10,288
Brass	617	469	2,656	1,422
Bars, ingots, rods, strips, sheets, plates	425	62	1,928	340
Copper	2,637	3,793	16,130	16,132
Ingots, bars, cakes, slabs, billets	1,976	3,177	12,702	13,373
Rods, strips, sheets, plates, tubing	54	253	667	943
Lead	416	1,066	1,791	7,061
Nickel	4,790	4,219	27,638	22,457
Precious metals, except gold	1,863	2,238	7,856	6,769
Zinc	1,440	2,435	7,875	12,326
Clocks and watches	29	113	232	476
Electrical apparatus	6,414	2,466	32,758	9,173
Radio and wireless apparatus	3,193	614	20,127	5,221
Non-ferrous metals, other	769	653	3,847	2,804
Cobalt alloys	116	31	724	59
Cadmium	54	42	153	252
Selenium and salts	159	208	343	616
Non-metallic minerals and their products	4,736	4,809	22,310	19,133
Asbestos	1,933	2,185	9,620	8,362
Asbestos milled fibres	1,382	1,479	6,746	5,701
Clay and products	73	91	216	298
Porcelain insulators	27	30	106	141
Coal and products	546	518	2,922	2,394
Coal	413	426	2,203	1,733
Coke	91	45	373	290
Glass and glassware	43	107	186	579
Graphite	11	13	46	62
Mica and products	18	14	133	112
Petroleum products	267	338	2,059	1,058
Gasoline	41	160	1,165	291

Exports by Principal Commodities—Con.

	Month of		Five Months	
	1945	May 1946	1945 ended May 1946	
	Thousands of		Dollars	
Non-metallic minerals, etc.— <i>Con.</i>				
Stone and products	1,401	1,296	6,124	5,367
Abrasives, artificial, crude	1,227	996	5,491	4,501
Non-metallic minerals, other	445	245	1,004	901
Carbon and graphite electrodes	114	75	219	204
Chemicals and allied products	13,324	5,826	57,622	27,855
Acids	370	219	1,397	870
Alcohols, industrial	895	23	3,316	76
Cellulose products	19	29	48	92
Toilet preparations	149	71	554	285
Medicinal and proprietary preparations	527	620	2,481	2,083
Explosives	4,985	82	19,869	111
Fertilizers	2,921	2,418	12,789	13,947
Paints and varnishes	350	458	1,535	1,528
Soap	184	152	1,059	1,016
Inorganic chemicals, n.o.p.	1,225	689	5,779	3,538
Calcium compounds, n.o.p.	338	157	1,513	1,375
Soda and sodium compounds	565	424	2,666	1,715
Chemical products, other	1,699	1,066	8,793	4,308
Miscellaneous commodities	53,129	5,271	225,702	35,203
Amusement and sporting goods, n.o.p.	88	178	380	436
Brushes	48	143	314	431
Containers, n.o.p.	121	165	409	837
Household and personal equipment, n.o.p.	250	628	1,245	2,015
Pens, pencils and parts	99	146	416	489
Refrigerators, electric	1	4	5	11
Mineral and aerated waters .....	....	....	1	40
Musical instruments	18	16	58	58
Scientific and educational equipment	1,147	365	6,380	1,339
Films	144	338	987	1,169
Ships and vessels	1,515	466	4,858	4,643
Vehicles, n.o.p., chiefly aircraft	17,170	203	67,910	3,651
Paintings	2	2	8	12
Miscellaneous commodities, other	32,770	3,105	144,138	21,742
Cartridges	28,225	48	123,074	110
Electrical energy	687	617	2,727	3,098

*May totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$158,000 in May, 1946, and \$133,096,000 in May, 1945. The percentage of war materials in other items cannot be ascertained.

ECONOMIC, TRADE AND PRODUCTION NOTES**Argentina****AGRICULTURAL PRODUCTION REGULATING BOARD ESTABLISHED**

Mr. J. C. Depocas, Acting Commercial Secretary, Canadian Embassy at Buenos Aires, reports that a government decree, issued through the Department of Industry and Commerce, establishes the Agricultural Production Regulating Board as the sole buyer and exporter of all existing stocks (carry-over and present harvest) of linseed, sunflower seed, peanut and rape seed.

The decree provides that the Board will also be the sole exporter of oils extracted from these seeds and their by-products. It also sets the prices for

immediate transactions, which prices, however, may be later modified by the Central Bank. The purchase of the seeds and the distribution of profits among growers will be in the hands of the Board. The Central Bank shall establish, under recommendation by the Department of Trade and Commerce, the quotas of seed for the local industries. The Mercado a Termino, the Grain Exchange, and the Camara de Cereales will not quote prices on these seeds in future.

The Board's current prices for the seeds, per 100 kilos (220 pounds) bagged, placed in "Darsena", are as follows: linseed, Grade No. 2, 4 per cent foreign bodies, 35 pesos (\$11.49); sunflower seed, official type,

28 pesos (\$9.19); peanuts, official type, shelled, 44 pesos (\$14.44); turnip seed, sound and dry, 4 per cent foreign bodies, 35 pesos (\$11.49).

The Board will purchase from manufacturers the quantity of seed oils and their by-products to be exported. The oils will be purchased under the "Iram" regulations at the following basic prices per litre, placed in deposit in the export port nearest to the place of manufacture: linseed oil, 99 centavos (32 cents); sunflower seed oil, 1.21 pesos (40 cents); peanut oil, 1.15 pesos (38 cents); turnip-seed oil, 1.05 pesos (34 cents).

Oil-cake prices per metric tons (2,205 pounds), bagged and placed on wagon "Darsena", will be as follows: sunflower-seed cakes, 200 pesos (\$65.64); peanut-seed cakes, 230 pesos (\$75.49); cotton seed, 180 pesos (\$59.08); turnip seed, 180 pesos (\$59.08).

The following basic prices are established for mashes per metric tons, bagged and placed on wagon "Darsena": linseed, 200 pesos (\$65.64); sunflower seed, 200 pesos (\$65.64); peanut, 205 pesos (\$67.28); cotton seed, 180 pesos (\$59.08); turnip seed, 180 pesos (\$59.08).

Placed on wagon "Darsena" means the Port of Buenos Aires, there being rebates, or premiums, to be established by the Central Bank, for other ports.

The first crop estimates for 1945-46 are: sunflower-seed oil, 1,076,900 short tons; peanuts, 175,780 tons. Estimates with respect to other seeds have not as yet been published.

Canada cannot make any direct purchases from Argentina, as all vegetable oils and fats will be bulk-purchased for Combined Food Board claimants under the unified purchase arrangement.

Newfoundland

PRICE CEILINGS FOR CANNED SOUPS AND MILK

Mr. J. C. Britton, Canadian Trade Commissioner at St. John's, writes that the Commissioner for Supply has issued

Orders, effective May 30, 1946, covering the retail prices of tinned soups according to brands and varieties. The prices vary from 15 cents for tomato soup to 26 cents for chicken noodle at the port of importation, and an increase of one cent per tin on all varieties and brands is allowed at points other than the port of importation. The maximum retail price of condensed milk in tins of approximately fourteen ounces has been fixed at 25 cents and that of evaporated milk in the same sized container at 19 cents for United States brands and 18 cents for other brands.

Trinidad and Barbados

Mr. W. B. McCullough, Canadian Trade Commissioner at Port of Spain, Trinidad, writes under date June 4 that the latest reports indicate that the cocoa crop in Trinidad will be a short one this season, with the Ministry of Food taking 1,070 tons. This will leave 1,600 tons for uncontrolled export to world markets.

Sugar-grinding operations in Trinidad are continuing and it is estimated that the total production for 1946 will be about 109,896 tons.

In Barbados the reaping of the sugar crop is progressing favourably and juice extraction is good and recovery of sugar high. It is estimated that this year's production of sugar will approximate 130,000 tons.

United Kingdom

RESTORATION OF COFFEE MARKET IN LONDON

Mr. C. G. Venus, Office of the Canadian Trade Commissioner in London, writes that the Minister of Food has announced the restoration of facilities for United Kingdom merchants to conduct an entrepôt trade in coffee.

An agreement has been worked out between the Ministry, the Coffee Trade Federation, the Coffee Importers' and Exporters' Association, and the Coffee Brokers' Association for merchants to resume their international business. Under these arrangements, recognized

merchants who take part in the scheme will be permitted to import coffee from any country for resale in sterling. The Minister hopes that this business will ultimately make a substantial contribution to the United Kingdom's overseas income and that it may be possible eventually to re-establish in London the international coffee market which was active before the 1914-18 war. Between the wars the centre of the European trade in coffee shifted to Hamburg.

The development is important to the extent that these plans may create a precedent and a model for the resumption of other entrepôt markets, even while a system of foreign exchange control is preserved.

ANGLO-FRENCH FINANCIAL AGREEMENT

Mr. H. L. E. Priestman, Canadian Trade Commissioner at London, writes that the financial agreement concluded between the United Kingdom and France in March, 1945, recently expired. In accordance with its terms, the French Government transferred to the United Kingdom authorities £40,000,000 in gold to liquidate in part the balance due, mainly in respect of an excess of imports from the United Kingdom. A new financial agreement has been made, which prolongs the existing arrangement for payments between franc and sterling areas until December 31, 1946. The credit of £150,000,000 originally granted to France was reduced to £110,000,000 by the payment mentioned above, and the balance will be repaid under the new agreement in instalments over the next three years. The agreement also provides for the financing of current purchases from the sterling area during the remainder of this year.

CONDITIONS IN THE POTTERY INDUSTRY

In 1939 the United Kingdom pottery industry employed some 67,000 workers, of whom 75 to 80 per cent were concentrated in the Stoke-on-Trent area, according to an article entitled "Prescription for Pottery," published in *The Economist* of May 25, 1946. A

large proportion of this working force, with a similar degree of concentration in "The Potteries," was employed in the domestic pottery industry (which technically comprises tableware, fancy-ware of earthenware and china, jet and Rockingham manufacture). The report is primarily concerned with the domestic branch of the industry, though its recommendations apply broadly to the industry as a whole. Pottery has accumulated over a long period all the contradictions—between craftsmanship and conservatism, between pride in small family businesses and deplorable working conditions, and between high quality ware and dilapidated production units—which develop from a long-standing craft tradition and a long period of low profits. The industry's present capacity, indeed, was built up on a substantial export trade, but its grasp on export markets has steadily fallen and, between 1924 and 1935 alone, exports were almost halved, from one million to just over half a million cwt. Consequently, competition for the home market was intensified among firms in the inter-war years and, out of 200 factories, apparently only seven consistently secured a worthwhile margin of profit. Some of the latter are firms of international repute, but generally domestic pottery has been an industry of depressed marginal firms, offering low wages and inferior working conditions. Many of these firms were closed down under wartime schemes for concentration of output, but a considerable number intend to reopen at the earliest opportunity. If inefficient production is not to be perpetuated over the next few years, during which the potters will be able to sell all that they can make, reorganization must be carried out at once.

A report submitted by the Pottery Tripartite Working Party suggests, as a tentative estimate, that the industry's annual sales target in the home and export market should be set at £18.3 million, to be achieved during the next few years. This is a combined figure arrived at by adding 75 per cent to the 1935 export sales and converting

to current prices, and by adding £1.5 million to the home sales of £5.5 million in 1935 and again converting to current prices. If this level of output can be achieved, says the report, there will be no necessity to buy out any of the present redundant capacity. The estimate, however, surely errs on the low side. Exports provide £6.1 million of the revised target, but pottery should be expected to contribute more than the average expansion to exports. Not 75 per cent but 100 to 125 per cent is the ideal target, which would give

an over-all sales total of at least £20 million. Accordingly, what the industry needs is not so much the buying out of redundant capacity (to which the Report devotes much discussion) but a flexible investment policy in new plant and equipment. There are only about ninety exporting firms at present, and 50 per cent of the total export trade is concentrated on ten of these. The Report suggests that the British Pottery Manufacturers' Federation should set up an organization to assist small firms to enter the export market.

TRADE REGULATIONS AND TARIFF CHANGES

Trinidad

IMPORT LICENCES FOR POTATOES AND CONFECTIONERY

Notices issued by the Trinidad Controller of Imports and Exports on June 6 advised importers that import licences will be granted for the importation of small potatoes from Canada against firm orders and for the importation of restricted quantities of chocolate confectionery from Canada.

NEW IMPORT LICENSING SYSTEM

Mr. T. G. Major, Canadian Trade Commissioner, at Port of Spain, advises that the Controller of Imports for Trinidad and Tobago has announced a new plan, effective June 17, 1946, for the issuance of import licences for non-foodstuffs. This replaces the system outlined in *Commercial Intelligence Journal* No. 2193 (February 9, 1946), page 135.

Under the new arrangement, the issuance of the preliminary three-month import licence is being abandoned. In the case of essential commodities in short supply, licences will be issued, to the extent of the Colony's requirements, to any applicant on production of satisfactory evidence of a firm offer, with approximate date of delivery. For items in free supply no evidence of a firm offer will be required. In both instances 80 per cent

of the over-all requirements will be reserved for pre-war importers. All licences will be valid for six months or such further reasonable period as may be indicated in the firm offer.

New Zealand

IMPORT LICENSING REGULATIONS AMENDED

Mr. C. M. Croft, Senior Trade Commissioner in Australia, reports that the Australian Customs (Import Licensing) Regulations have been amended as follows:

1. A reduced quota of 100 per cent of base-year imports has been allotted to artificial sausage-casings of non-sterling origin, classifiable under Tariff Item 90; the quota for this product was formerly 150 per cent.

2. The following imports from non-sterling countries, which were formerly prohibited, have now been placed under Administrative Control: velvets, velveteens, plushes, astrachans and imitation fur cloths, classifiable under Tariff Item 105 (E) (1); and plants, trees and bulbs, under Unspecified Item No. 17. Licences will be issued for the importation of vegetable seeds, included in Unspecified Item 18 (B), from non-sterling countries, provided the importer obtains a certificate from the Australian Vegetable Seeds Committee that the variety is not available in

Australia in sufficient quantity to meet local demand.

All piece-goods from non-sterling countries classifiable under Tariff Item 105, which were formerly prohibited importation under the Australian Customs (Import Licensing) Regulations, are now under Administrative Control. These include piece-goods of cotton, linen, silk or containing silk, wool, felt, and hair, slipper upper felt, waterproofed piece-goods, waterproofed tape and textile strip, leather cloth and binding, oil baize and similar fabrics, laces, nets and veilings.

Other commodities of non-sterling origin, formerly prohibited importation, but now placed under Administrative Control are: floor coverings under Tariff Item 118 (A) (not linoleums); artificial silk yarns, under Item 392 (G); plain clear sheet glass, under Item 242 (B); wrapping papers, cartridge paper, paper felts and carpet felt paper under Item 334 (G)(1)(a); graphite and plumbago, under Item 224; and feathers, under Item 108 (A).

Brazil

IMPORT LICENCES FOR USED MACHINERY

Mr. W. G. Smith, Assistant Commercial Secretary, Canadian Embassy, Rio de Janeiro, writes that, by a Brazilian ordinance of May 24, 1946, the importation of used and reconditioned machinery becomes subject to prior licence. Orders placed before May 27 are exempt from licence, provided they are shipped within sixty days and that the Brazilian consul in the country of origin is satisfied that the machinery is not obsolete and is in perfect working-order. During most of 1945 the importation of second-hand machinery into Brazil was permitted only if a certificate of efficiency from an expert appointed by Brazilian diplomatic representatives abroad had been obtained. This requirement was removed in December last, and the present regulation has been brought into force because of rumours that obsolete machinery is being shipped to Brazil.

POSTAL SERVICES AND RATES

Netherlands East Indies

MAIL SERVICE RESTRICTED

Information has been received from the Postal Administration of the Netherlands East Indies that, owing to present conditions, they are able to accept correspondence for delivery only

to the following destinations: (1) Island of Sumatra: Medan, Padang, Palembang and Sabang; (2) Island of Java: Batavia, Bataviacentrum, Meester Cornelis, Buitenzorg, Bandoeng, Tjimahi, Semarang and Soerabaja; and (3) the rest of the Netherlands East Indies: all destinations.

FOREIGN INQUIRIES FOR CANADIAN GOODS

In writing the Department regarding an inquiry, please quote name of inquirer, date of issue of the *Commercial Intelligence Journal*, and file number of inquiry.

Interested Canadian firms are requested to correspond directly with the inquirers listed who, as far as can be ascertained, are firms in good standing, although the Department of Trade and Commerce cannot accept any financial responsibility for business transactions undertaken with them. A copy of any initial reply to the inquiry should be sent to the Department for follow-up purposes.

Confidential information as to the financial status of the inquirers may be obtained from

the Department by bona fide Canadian manufacturers and exporters.

68. China—Yu Shin Trading Co., 246 Kiangse Rd., Shanghai, have expressed interest in securing the agency on a commission basis for the following Canadian products: Metals of any description; hardware, machinery and tools for industrial purposes; motor vehicles; railway and tramway supplies; telephonic and telegraphic instruments and parts thereof; paper of all descriptions; leather and manufactures thereof; timber; chemicals and dyes; flour; cotton; dried fruits; foodstuffs in general; chemical sea products; Canadian herrings; evaporated, un-

sweetened and condensed milk; cigarettes in tins or packets.

This company is interested also in exporting to Canada the following products: Walnuts; bristles; feathers; badger and other hairs; oil (wood, bean, groundnut and sesamum-seed oil); tea (black and green), tea leaf; seeds (apricot and lily seed); eggs and egg products; lacquerware; curios and antiques; raw silk; strawbraid; carpets and carpeting; peppermint (local manufacture); tobacco leaf; China furs and skins, raw or

tanned; beans, peas and dates (black and red dates).

69. *China* — The International Trading Company, 220 Szechuen Road, Shanghai, have expressed interest in securing the agency on a commission basis for the following Canadian products: Chemicals; stationery; paper and paper products; hardware; barometers; cosmetics; glassware; leather; radio parts; machinery; rebuilt typewriters; surgical instruments; tobacco leaf.

FOREIGN EXCHANGE QUOTATIONS

Following are nominal quotations based on rates available in London or New York and converted into Canadian terms at the midrate for sterling or United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada:—

	Unit		Nominal Quotations June 17	Nominal Quotations June 24
Argentina	Peso	Off.	.3282	.3282
		Free	.2706	.2703
Australia	Pound	....	3.5520	3.5520
Belgium and Belgian Empire	Franc	....	.0251	.0251
Bolivia	Boliviano	....	.0262	.0262
British West Indies (except Jamaica)	Dollar	....	.9250	.9250
Brazil	Cruzeiro	Off.	.0668	.0668
		Free	.0571	.0571
Chile	Peso	Off.	.0570	.0570
		Export	.0441	.0441
Colombia	Peso	....	.6282	.6282
Cuba	Peso	....	1.1025	1.1025
Czechoslovakia	Koruna	....	.0220	.0220
Denmark	Krone	....	.2296	.2296
Ecuador	Sucre	....	.0816	.0816
Egypt	Pound	....	4.5538	4.5538
Eire	Pound	....	4.4400	4.4400
Fiji	Pound	....	4.0090	4.0090
Finland	Markka	....	.0081	.0081
France and North Africa	Franc	....	.0092	.0092
French Empire—African	Franc	....	.0157	.0157
French Pacific possessions	Franc	....	.0222	.0222
Haiti	Gourde	....	.2205	.2205
Hong Kong	Dollar	....	.2775	.2775
Iceland	Krona	....	.1702	.1702
India	Rupce	....	.3330	.3330
Iraq	Dinar	....	4.4400	4.4400
Italy	Lira	....	.0049	.0049
Jamaica	Pound	....	4.4400	4.4400
Mexico	Peso	....	.2268	.2268
Netherlands	Florin	....	.4153	.4153
Netherlands East Indies	Florin	....	.4153	.4153
Netherlands West Indies	Florin	....	.5842	.5842
New Zealand	Pound	....	3.5698	3.5698
Norway	Krone	....	.2220	.2220
Palestine	Pound	....	4.4400	4.4400
Peru	Sol	....	.1709	.1709
Philippines	Peso	....	.5512	.5512
Portugal	Escudo	....	.0444	.0444
Siam	Baht	....	.1110	.1110
Spain	Peseta	....	.1009	.1009
Straits Settlements	Dollar	....	.5180	.5180
Sweden	Krona	....	.2627	.2627
Switzerland	Franc	....	.2563	.2563
Turkey	Piastre	....	.0085	.0085
Union of South Africa	Pound	....	4.4400	4.4400
United Kingdom	Pound	....	4.4400	4.4400
United States	Dollar	....	1.1025	1.1025
Uruguay	Peso	Controlled	.7258	.7258
		Uncontrolled	.6206	.6206
Venezuela	Bolivar	....	.3261	.3261

FOREIGN TRADE SERVICE

The function of the Foreign Trade Service is the maintenance and promotion of Canadian external trade. It consists of six divisions, each administered by a Director. These Divisions are: Trade Commissioner Service, Export Division, Import Division, Wheat and Grain Division, Commercial Relations and Foreign Tariffs Division, Industrial Development Division, and Trade Publicity Division.

Organization and Functions

Trade Commissioner Service.—Consists of headquarters at Ottawa and offices in various British and foreign countries administered by Trade Commissioners. The Director has charge of the work of the Service at home and abroad. The headquarters staff includes a group of officials, in charge of area desks, who record and supply information and handle general inquiries regarding trade with particular countries or geographic areas.

Trade Commissioners promote Canada's trade by obtaining and forwarding inquiries for Canadian goods from importers in their territories to headquarters at Ottawa and to Canadian exporters; by reporting upon import requirements in their territories, the types of goods wanted, competitions to be met, methods of packing and shipping, tariffs and trade regulations affecting these goods, etc. They also assist Canadian importers who desire advice on the supply of commodities available in overseas territories, prices, packing, names of possible suppliers, etc. Trade Commissioners prepare periodic reports on trade, business and financial conditions, markets for particular commodities, and related subjects for publication in the *Commercial Intelligence Journal* or in pamphlet form.

A list of the offices abroad is given below.

Export Division.—Consists of a group of commodity specialists, in direct contact with Canadian industry, who supply information and render assistance with respect to the particular commodities or groups of commodities for which they are responsible. It includes the Export Permit Branch in order to ensure the co-ordination of its work with the issuance of export permits so long as these wartime controls remain.

Import Division.—Assists Canadian importers in the procurement of necessary and desirable imports. It is also responsible for shipping space for Canadian imports affected by shipping priorities still in existence, and for seeing that Canada receives its share of commodities subject to international allocation.

Wheat and Grain Division.—Deals with the special problems of the grain trade and milling industry, domestically as well as in foreign trade.

Commercial Relations and Foreign Tariffs Division.—Records and supplies information with respect to the tariffs and import regulations of British and foreign countries and prepares data necessary for the revision or negotiation of trade agreements.

Industrial Development Division.—Continues the Department's work in connection with the establishment of new industries and the study of new products, especially those suitable for export markets.

Trade Publicity Division.—Prepares and edits the *Commercial Intelligence Journal* and all other departmental publications, and is responsible for advertising programs of the Department at home and abroad.

- Exporters require specialized information on trade and business conditions, markets, trade regulations, tariff changes and other controls affecting the movement of goods between countries.
- *The Commercial Intelligence Journal* furnishes authoritative coverage on these vital matters received from Trade Commissioners of the Department of Trade and Commerce and other sources.
- Published weekly in English and French, subscription rates for either editions are: \$1 a year in Canada (single copies 5 cents each) and \$3.50 outside Canada (single copies 10 cents each). Address orders to the King's Printer, Government Printing Bureau, Ottawa.

CANADIAN GOVERNMENT TRADE COMMISSIONERS

The title, **Canadian Government Trade Commissioner**, should be used in addresses of letters, except where otherwise indicated. Cable address, *Canadian*, unless otherwise shown.

Argentina

J. C. DEFOCAS, Acting Commercial Secretary, Canadian Embassy, Bartolome Mitre 478, Buenos Aires (1).
Territory includes Uruguay and Paraguay.

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1.
Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.
Sydney: C. M. CROFT, Commercial Counsellor. Address for letters—P.O. Box 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 34 Avenue des Arts, Brussels.

Brazil

MAURICE BÉLANGER, Commercial Secretary, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165.

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road.
Territory includes Burma and Ceylon.

British Malaya

Canadian Commercial Agent. Address for letters—% Chartered Bank of India, Australia and China, Singapore, Straits Settlements.
Territory includes Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India. *Cable address, Wilding, Chartered Bank, Singapore.*

British West Indies

Trinidad: T. G. MAJOR. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building.
Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.
Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers.
Territory includes the Bahamas and British Honduras.

Chile

Acting Commercial Secretary, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building.
Territory includes Bolivia.

China

Acting Trade Commissioner, 27 The Bund, Shanghai.

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Colombiana de Seguros, Ofa. No. 523.
Territory includes Republic of Panama, the Canal Zone, Nicaragua, and Costa Rica.

Cuba

R. G. C. SMITH, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Avenida de las Misiones 17.
Territory includes Haiti, the Dominican Republic, and Puerto Rico.

Egypt

RICHARD GREW. Address for letter—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil.
Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy. Office—3 rue Scribe, Paris.
Territory includes Switzerland.
J. H. TREMBLAY, Commercial Secretary (Agriculture). Office—3 rue Scribe, Paris.
Territory includes Belgium, the Netherlands, and Denmark.

Hong Kong

Acting Trade Commissioner. Address for letters—% Passenger Department, Canadian Pacific Railway Company.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, and 36 Victoria Square, Belfast.

Mexico

D. S. COLE, Commercial Counsellor, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor.
Territory includes Guatemala, Honduras, and Salvador.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Concluded

Netherlands

J. A. LANGLEY, Commercial Counsellor, Canadian Legation, 1-A Sophialaan, The Hague.

Newfoundland

J. C. BRITTON. Circular Road, St. John's.

New Zealand

P. V. McLANE. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street.

Territory includes Fiji and Western Samoa.

Norway

S. G. MacDONALD, Commercial Secretary, Canadian Legation to Norway, Fridtjof Nansens Plass 5, Oslo.

Territory includes Denmark.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin.

Territory includes Ecuador.

Portugal

L. S. GLASS, Rua Rodrigo da Fonseca 103-4°, Lisbon.

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Cable address, Cantracom.

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Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.

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Until further notice, trade inquiries should be addressed to the Johannesburg office.

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F. H. PALMER. Address for letters—P.O. Box 14042, Stockholm 14.

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United Kingdom

London: A. E. BRYAN, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London: H. L. E. PRIESTMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England and East Anglia.

Cable address, Sleighing, London.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Canfrucum.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1.

Cable address, Agrilson.

Liverpool: Acting Trade Commissioner, Martins Bank Building, Water Street.

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Glasgow: G. B. JOHNSON, 200 St. Vincent Street.

Territory covers Scotland.

Cable address, Cantracom.

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Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: J. A. STRONG, British Empire Building, Rockefeller Center.

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Cable address, Cantracom.

Chicago: J. M. BOYER, Suite 1607, 188 W. Randolph Street, Chicago 1.

Los Angeles: V. E. DUCLOS, Associated Realty Building, 510 West Sixth Street.

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

I N D E X

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